Document 1

Mates, Michael

From:

Sent:

Deepak Ahuja (b) (6) Friday, April 16, 2010 10:18 PM

To:

Mates, Michael

Subject:

January and February Financials

Attachments:

Tesla - DOE Compliance Certificate 041610 Final.pdf

Mike,

Thanks for calling me back late on Friday. I truly appreciate the support that you and the DoE team continue to give us. As shared with you today, please find attached the January and February financials.

The full quarter financials will be completed by next week. We will send you the unaudited version right away. The PwC reviewed financials for Q1 will be reflected in the amendment to the S-1 in May.

Deepak Ahuja (b) (6)

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FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: April 16, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the months ended as of January 31, 2010 and February 28, 2010, and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of (i) normal adjustments that are recorded on a quarterly basis and (ii) the recording of the warrant issued to the DOE which was recorded in the month ended March 31, 2010 after the completion of the related valuation work and consultation with the Borrower's independent accountants;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred other than the deliveries of the Financial Statements for the month ended January 31, 2010 and for the month ended February 28, 2009 and the related Compliance Certificates required to be delivered concurrently therewith pursuant to Section 8.1(d) were delinquent, which delinquencies are hereby being remedied;

- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	Maria
Ву:	XYTU
Name:	Deepak Ahuja

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Testa Motors, Inc.
Consolidated Balance Sheets
As of January 31, 2010 and February 28, 2010
(In thousands)

	Ja	nuary 31, 2010	Fel	oruary 28, 2010
Assets	<u> </u>	(Unaudited)		(Unaudited)
Current Assets				
Cash and cash equivalents	\$	54,339	\$	61,885
Accounts receivable		1,707		3,436
Inventory	ching Charle	23,965	o and the same of	28,624
Prepald expenses and other current assets Total current assets		5,226	40,000	4,645
Total current assets		85,237		98,589
Property and equipment, gross		37,872		39,075
Accumulated depreciation	851 <u>00</u> 0000	(13,371)	menoca.	(13,847)
Property and equipment, net	MANINE	24,501		25,228
Restricted cash		4,233	SAPLA PERM	7,232
Other assets	88 11. 12. 14. 14. 14.	3,640		3,695
Total assets	_\$	117,611	\$	134,745
Liabilities, Convertible Preferred Stock and Stockholders'				
Equity (Deficit)				
Current Liabilities				
Accounts payable	\$	11,939	\$	14,598
Accrued labilities	saturana	9,300	market Section	8,129
Deferred development compensation and deferred revenue		1,736		3,360
Capital lease obligations, current portion	idalah series	284		279
Warranty reserve, current portion		1,281	Sec. 3	1,339
Refundable reservation payments Total current liabilities.	(A) (Franklik)	26,723 51,262	078 pr.32	26,885 54,590
rotal current labilities.		01,202	200112	
Convertible preferred stock warrant liability.		1,734	enstandi Depter	1,734
Capital lease obligations, less current portion	man wegen para.	784		768
Warranty reserve, less current portion		2,311.		2,311
Notes payable, less current portion	ST.W.	er Control CONCOTTE control control CONCOTTE entrol	reman samuel	21,158
Deferred revenue, less current partion		1,284		1,317.
Other long term liabilities	A Services	1,278	- Carto (18.1)	1,409
Total liabilities	<u> </u>	58,653	otoldps	83,288
Preferred Stock	GEORGE ANNUA		eemocoo	COMPONIATION CONTRA
Series A net of issuance costs		3,549		3,549
Series B, net of issuance costs	www.	12,899	ogen mene	12,899
Series C, net of issuance costs Series D, net of issuance costs	Million to the	39,789 44,941		39,789 44,941
Series E, net of issuance costs		135,669	TENESE	135,669
Series F, net of issuance costs		82,378	achorrer.	82,378
Total convertible preferred stock	ris (1)	319,225		319,225
Stockholders' equity (deficit)				
Common Stock		5. T. S.		79
Additional paid in capital	rad <u>ele</u>	5,241	<u> 200</u> 37	5,260
Stock based compensation		2,093		2,093
Retained earnings (Accumutated deficit)		(260,653)	welle.	(260,653)
Net Income (loss)		(6,970)		(14,490)
Total stockholders' equity (deficit)		(260,267)		(267,768)
Total flabilities, convertible preferred stock and	Nilligare 8		320	
stockholders' equity (deficit)	\$	117,611	\$	134,745
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The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the dates indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations January and February 2010 (In thousands)

	Jan-10	Feb-10
Revenue	(Unaudited)	(Unaudited)
Automotive sales (including zero emission vehicle credit		
(sales)	\$ 4,510	\$ 4,804
Cost of sales	3,529	3,705
Gross profit (loss)	981	1,099
Operating expenses		
Research & development	4,528	-3,985
Selling, general and administrative	1,914	4,642
Total operating expenses	6,443	8,627
Operating (Loss) Income	(7,031)	(7,528)
Other Income (expense), net	(47)	(23)
Interest income, net of (interest expense)	(14)	15
Pre-Tax (Loss) Income	(6,970)	(7,520)
Tax		
Net (loss) Income	\$ (6,970)	\$ (7,520)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statements of Cash Flows January and February 2010 (in thousands)

	5538	Jan-10	Feb-	10	
	(Unaudited)		(Unaud	(Unaudited)	
Cash flows from Operating activities		-			
Net Loss	\$	(6,970)	\$ (7,520)	
Adjustments to reconcile not loss to net cash					
used in provided by operating activities:	Telekiling-		SSS epper to t e A1 USS	Compression to Ma	
Depreciation and amortization		640		645	
Change in fair value of preferred stock warrant liability	oo we ar soom of	0		0	
Gain on extinguishment of convertible notes and warrants					
Stock based compensation		er Complete sold a skill for our year	concern more was you		
Loss on abandonment of fixed assets					
Inventory writedowns	CAST TAXABLE SANS	200	www.noneco.com	165	
Interest on convertible notes					
Changes in operating assets and liabilities:	70704453W2777	COMPANIAN (SERVICE AND ASSESSMENT)	GANGETT COMMON MONEY	ECONOMISMONO I	
Accounts receivable	iju kultur nilie v Osunije <u>Marve av</u>	1,781	The second section of the section of the section of the second section of the section of t	1,729)	
Inventory	15.000mmzn22	(944)	(4,823)	
Prepald expenses and other current assets		(1,004)		580	
Other assets		204	MACONA	1	
Accounts payable		(3,147)		2,659	
Accrued liabilities	txox summanes \$	(3,951)		1,113)	
Other long term liabilities		130		131	
Deferred development compensation and deferred revenue		247		1,657	
Refundable reservation payments		675		163	
Net cash used in operating activities		(12,139)	{	9,184)	
Controllarion from forwarding and helds					
Cash flows from investing activities	eppekvinske			e energy	
Purchases of property and equipment, excluding capital leases		(653)	ALL ALL AND AL	3,000)	
Increase (decrease) in restricted cash deposits		(1,607)		1,371)	
Net cash used in investing activities		(2,260)	(4,371)	
Cash flows from Financing activities					
Proceeds from notes payable	X-varyes	openija paster		1.158	
Proceeds from issuance of preferred stock	**************************************	ender Tarr		1,130	
Proceeds from exercise of slock options	SECTIONS	225	and Harrie	19	
Principal payments on capital leases and other debt		(22)		(20)	
Issuance costs		(1,093)		1000	
Net cash provided by financing activities		(890)		(56)	
Net cash provided by imancing activities		(090)		1,100	
Increase (decrease) in cash and cash equivalents		(15,288)		7,546	
Cash and cash equivalents, beginning of period		69,627	5	4,339	
Cash and cash equivalents, end of period	\$	54,339	\$ 6	1,885	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of January 31, 2010	\$85,237,000	
Total current liabilities as of January 31, 2010	\$24,539,000	Covenant
Current ratio as of January 31, 2010	3.47 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of January 31, 2010	\$54,339,000	Requirement
Initial Advance received under the Notes (P)	\$16,899,224	\$15,000,000
Initial Advance received under the Notes (S)	\$4,258,666	\$762,826 Interest Expense Annualized
Total Pro Forma Cash Balance	\$75,496,890 >	\$15,762,826

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of February 28, 2010	\$98,589,440	
Total current liabilities as of February 28, 2010	\$27,705,000	Covenant
Current ratio as of February 28, 2010	3.56	Requirement > 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of February 28, 2010	\$61,884,697	Requirement \$15,000,000
Total Pro Forma Cash Balance	\$61,884,697 >	\$734,417 Interest Expense Annualized \$15,734,417

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of April 16, 2010.

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: April 30, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of March 31, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to <u>Section 8.1(d)(iv)</u> of the Arrangement Agreement, <u>Exhibit 8.1(d)(iv)</u> attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

date first written above.

TESLA MOTORS, INC.

By:

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of March 31, 2010 (in thousands)

Current Assets \$ 61,546 Cash and cash equivalents \$ 63,331 Accounts receivable, net 5,331 Inventory 28,588 Prepaid expenses and other current assets 100,602 Property and equipment, gross 41,655 Accumulated depreciation (14,688) Property and equipment, net 28,867 Restricted cash 7,487 Other assets 10,305 Total assets 3 145,320 Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit) Current Liabilities Accounts payable \$ 18,190 Accounts payable \$ 18,190 Accounts payable \$ 7,11 Accounts payable \$ 7,28 Account payable \$ 18,190 Account payable \$ 18,190 Account payable \$ 2,29 Account payable \$ 2,29 Account payable \$ 3,190 Account payable \$ 3,190 Account payable \$ 3,190 Account payable \$ 2,29 Capital lease obligations, current p	Assets	Mar-10 (Unaudited)
Cash and cash equivalents \$ 63,546 Accounts receivable, net Inventory 28,588 Prepaid expenses and other current assets 4,538 Total current assets 100,602 Property and equipment, gross A1,855 Accumulated depreciation (14,688) Property and equipment, net 28,867 Restricted cash 7,487 Other assets 10,365 Total assets \$ 145,320 Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit) Current Liabilities Current Liabilities 6,289 Accounts payable \$ 18,190 Accounts payable \$ 7,11 Account account and present portion 25,989 Deferred revenue 6,711 Capital lease obligations, current portion 16,32 Refundable reservation payments 22,989 Total current liabilities 59,105 Convertible preferred stock warrant liability 10,369 Capital lease obligations, less current portion 7,19 Warranty reserve, less current portion 2,374 Notes payable, less cu		(Orania actor)
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Prepaid expenses and other current assets		and the second s
Total current assets		
Property and equipment, gross A1,855	40400-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	
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Accumulated depreciation	Property and engineent gross	41 555
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Restricted cash		
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Warranty reserve, less current portion 2,374 Notes payable, less current portion 29,920 Deferred revenue, less current portion 1,427 Other long term liabilities 1,488 Total liabilities 105,392 Preferred Stock Series A, not of costs 3,549 Series B, net of costs 12,899 Series C, not of costs 39,789 Series C, not of costs 39,789 Series D, net of costs 44,941 Series E, not of costs 44,941 Series E, not of costs 32,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)		719
Notes payable, less current portion 29,920 Deferred revenue, less current portion 1,427 Other long term liabilities 1,488 Total liabilities 105,392 Preferred Stock 3,549 Series A, not of costs 3,549 Series B, net of costs 12,899 Series C, net of costs 39,789 Series D, net of costs 44,941 Series E, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)		promotive and accompanies of the second accompanies and the
Other long term liabilities 1,488 Total liabilities 105,392 Preferred Stock 3,549 Series A, pet of costs 3,549 Series B, net of costs 12,899 Series C, net of costs 39,789 Series D, net of costs 44,941 Series F, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)		2374
Total liabilities 105,392 Preferred Stock 3,549 Series A, not of costs 3,549 Series B, net of costs 12,899 Series C, net of costs 39,789 Series D, net of costs 44,941 Series E, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)	Notes payable, less current portion	
Preferred Stock Series A, not of costs Series B, not of costs 12,899 Series C, not of costs 39,789 Series D, not of costs 44,941 Series E, not of costs 135,669 Series F, not of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) Common stock Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (toss) (279,296) Total stockholders' equity (deficit) (279,296)		29,920
Series A, not of costs 3,549 Series B, net of costs 12,899 Series C, net of costs 39,789 Series D, net of costs 44,941 Series E, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 28 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)	Deferred revenue, less current partion	29,920 1,427
Series A, not of costs 3,549 Series B, net of costs 12,899 Series C, net of costs 39,789 Series D, net of costs 44,941 Series E, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 28 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)	Deferred revenue; less current portion Other long term liabilities	29,920 1,427 1,488
Series B, net of costs 12,899 Series C, net of costs 39,789 Series D, net of costs 44,941 Series E, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 23 Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)	Deferred revenue; less current portion Other long term liabilities	29,920 1,427 1,488
Series C, net of costs 39,789 Series D, net of costs 44,941 Series E, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) 23 Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock	29,920 1,427 1,488
Series D, net of costs 44,941 Series E, net of costs 135,669 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock	29,920 1,427 1,488 105,392 3,549
Series E, net of costs 82,378 Series F, net of costs 82,378 Total convertible preferred stock 319,225 Stockholders' equity (deficit) Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296)	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs	29,920 1,427 1,488 105,392 3,549
Series F, net of costs Total convertible preferred stock Stockholders' equity (deficit) Common stock Additional paid in capital Retained earnings (deficit) (260,653) Net Income (loss) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs	29,920 1,427 1,488 105,392 3,549 12,899
Total convertible preferred stock Stockholders' equity (deficit) Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series D, net of costs	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941
Stockholders' equity (deficit) Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series D, net of costs	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941
Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue; less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series C, not of costs Series D, net of costs Series F, not of costs Series F, not of costs	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669
Common stock 23 Additional paid in capital 10,853 Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue; less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series C, not of costs Series D, net of costs Series F, not of costs Series F, not of costs	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378
Additional paid in capital 10,853 Relained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series D, net of costs Series D, net of costs Series F, not of costs Series F, not of costs Series F, not of costs Series E, not of costs	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378
Retained earnings (deficit) (260,653) Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series C, not of costs Series E, not of costs Series F, not of costs	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378
Net Income (loss) (29,519) Total stockholders' equity (deficit) (279,296) Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series D, net of costs Series E, not of costs Series E, not of costs Series F, not of costs Conmon stock	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225
Total stockholders' equity (deficit)	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series D, not of costs Series E, not of costs Series F, de to foots Stockholders' equity (deficit) Common stock Additional paid in capital	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,7225
Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, net of costs Series C, net of costs Series C, net of costs Series E, not of costs Series F, net of costs Total convertible preferred stock Stockholders' equity (deficit) Common stock Additional paid in capital Retained earnings (deficit)	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225
Total liabilities, convertible preferred stock and	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, net of costs Series C, net of costs Series C, net of costs Series E, not of costs Series F, net of costs Total convertible preferred stock Stockholders' equity (deficit) Common stock Additional paid in capital Retained earnings (deficit)	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225
	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, net of costs Series B, net of costs Series C, net of costs Series D, net of costs Series E, net of costs Series F, det of costs Series F, net of costs Series F, net of costs Stockholders' equity (deficit) Common stock Additional paid in capital Retained earnings (deficit) Net Income (loss)	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225 23 10,853 (260,653) (29,519)
	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, net of costs Series B, net of costs Series C, net of costs Series D, net of costs Series E, net of costs Series F, net of costs Stockholders' equity (deficit) Common stock Additional paid in capital Retained earnings (deficit) Net Income (loss)	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225 23 10,853 (260,653) (29,519)
145.320	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, pet of costs Series B, net of costs Series C, net of costs Series D, net of costs Series F, net of costs Total convertible preferred stock Stockholders' equity (deficit) Common stock Additional paid in capital Retained earnings (deficit) Net income (loss) Total stockholders' equity (deficit)	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225 23 10,853 (260,653) (29,519)
	Deferred revenue, less current portion Other long term liabilities Total liabilities Preferred Stock Series A, not of costs Series B, not of costs Series C, not of costs Series D, net of costs Series E, not of costs Series F, not of costs Series E, not of costs Series F, n	29,920 1,427 1,488 105,392 3,549 12,899 39,789 44,941 135,669 82,378 319,225 23 10,853 (260,653) (29,519)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statement of Operations March 2010 (In thousands)

	Mar-10 (Unaudited)
Revenue	(
Automotive sales (including zero emission vehicle credit sales)	\$ 11.271
Development services	228
Total revenues	11,499
Cost of revenues	
Automotive	9,624
Development services	102
Total cost of revenues	9,726
Gross profit (loss)	1,772
Operating expenses	
Research & development	4,752
Selling, general and administrative	8,459
Total operating expenses	13,212
Operating (loss) income	(11,440)
Other Income (expense)	3,291
Interest income, net of interest expense	180
Pre-tax (loss) income	(14,911)
Тах	118
Net (loss) income	\$ (15,029)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statement of Cash Flows March 2010 (In thousands)

<u> </u>	Mar-10 (Unaudited)
Cash flows from Operating activities	,
Net Loss	\$ (15,029)
Adjustments to reconcile net loss to net cash	
used in provided by operating activities:	
Depreciation and amortization	856
Change in fair value of preferred stock warrant liability	2,331
Gain on extinguishment of convertible notes and warrants. Stock based compensation	3,387
Loss on abandonment of fixed assets	
Inventory writedowns	400
Interest on convertible notes	
Changes in operating assets and liabilities:	
Accounts receivable	(2,495)
Inventory	(364)
Prepaid expenses and other current essets Other assets	108 d 49
Accounts payable	3,592
Accrued liabilities	(1,546)
Other long term liabilities	141
Deferred development compensation	(493)
Deferred revenue	3,954
Refundable reservation payments	(896)
Net cash used in operating activities	(6,008)
Cash flows from Investing activities	
Purchases of property and equipment, excluding capital leases	(254)
Increase (decrease) in restricted cash deposits	(2,495)
Net cash used in investing activities	(2,749)
Cash flows from Financing activities	
Proceeds from notes payable	8,762
Proceeds from issuance of preferred stock	
Proceeds from exercise of stock options	114
Principal payments on capital leases and other debt	(35)
lssuance costs	(425)
Net cash provided by financing activities	8,417
Increase (decrease) in cash and cash equivalents	(340)
Cash and cash equivalents, beginning of period	61,885
Cash and cash equivalents, end of period	\$ 61,546
Non cash activities	
Warrants issued to DOE	6,293
Tailain 19900 to DOL	0,200

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of March 31, 2010	\$100,602,392	
Total current liabilities as of March 31, 2010	\$33,115,498	Covenant
Current ratio as of March 31, 2010	3.04 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of March 31, 2010	\$61,545,573	Requirement \$15,000,000
Total Pro Forma Cash Balance	\$61,545,573 >	\$1,015,171 Interest Expense Annualized \$16,015,171

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of April 30, 2010.

Mates, Michael

From:

Sent:

Mike Taylor (b) (6) Saturday, May 29, 2010 1:46 PM Mates, Michael

To:

Cc:

Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer

Subject:

Tesla Motors Financial Statements for the Month Ended April 30, 2010

Attachments:

Tesla - DOE Compliance Certificate 052810.pdf

Mike,

Attached please find the financial statements for Tesla Motors, Inc. for the month ended April 30, 2010 and the accompanying compliance certificate.

Have a great weekend,

Mike

Mates, Michael

From:

Mike Taylor (b) (6)

Sent:

Wednesday, June 30, 2010 9:59 PM

To:

Mates, Michael

Cc:

Subject:

Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer Tesla Motors Financial Statements for the Month Ended May 31, 2010

Attachments:

Tesla - DOE Compliance Certificate 063010.pdf

Mike,

Attached please find the financial statements for Tesla Motors, Inc. for the month ended May 31, 2010 and the accompanying compliance certificate.

Best,

Mike

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: June 30, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of May 31, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву: _____

Name: DEEPAK AHUJA

Title: F6

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Balance Sheet As of May 31, 2010 (In thousands)

Assets	May-10 (Unaudited)
Current Assets Cash and cash equivalents Accounts receivable, net Inventory Prepaid expenses and other current assets Total current assets	\$ 50,813 6,197 27,138 4,282 87,429
Property and equipment, gross Accumulated depreciation Property and equipment, net	45,590 (16,350) 29,240
Restricted cash Other assets Total pssets	7,530 14,348 \$ 138,546
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit) Current Liabilities	
Accounts payable Accrued liabilities Deferred revenue Capital lease obligations, current portion	\$ 14,819 7,226 6,596 292
Warranty reserve, current portion Refundable reservation payments Total current liabilities	1,446 24,525 54,904
Convertible preferred stock warrant liability Capital lease obligations, less current portion Warranty reserve, less current portion Notes payable, less current portion Deferred revenue, less current portion	10,359 667 2,374 41,818 1,622
Other long term liabilities Total liabilities	1,775 113,520
Preferred Stock Series A, net of costs Series B, net of costs Series C, net of costs Series D, net of costs	3,549 12,899 39,789 44,941
Series E, net of costs Series F, net of costs Total convertible preferred stock	135,669 82,378 310,225
Stockholders' equity (deficit) Gommon stock Additional paid in capital Relained earnings (deficit) Net income (loss)	23 11,013 (260,653) (44,582)
Total stockholders equity (delicit)	(294,199)
Total liabilities, convertible professed stock and — stockholders' equity (deficit)	\$ 138,546

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, inc Consolidated Statement of Operations For the Month and Five Months ended May 31, 2010 (In thousands)

	Mky/10 (Unaudited)	YTD 2010 (Unaudited)
Revenue Automotive sales (including zero emission vehicle credit sales)		
Development services.	2,428	2,656
Total revenues	9,629	37,037
Cost of revenues Automotive	6,160	27,822
Development services	1,110	1,212
Total cost of revenues	7,270	29,034
Gross profit	2,359	8,003
Operating expenses Research & development	4,255	21,801
Selling, general and administrative	5,892	28,840
Total operating expenses	10,147	48,641
Operating (loss) income	(7,788	(40,638)
Interest income Interest expense Other Income (expense)	13 (216 (275) (527)
Pre-tax (loss) Income	(8,266	(44,437)
Tex		145
Net (loss) Income	\$ (8,266) \$ (44,582)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(l)

Tesla Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and Five Months ended May 31, 2010
(In thousands)

	May-10	YTD 2010	
	(Unaudited)	(Unaudited)	
Cash flows from Operating activities	0 (0.000)	C (44.50m)	
Net loss Adjustments to reconcile net loss to net cash	\$ (8,266)	\$ (44,582)	
used in provided by operating activities:	W	and district and district and	
	783	3,780	
Depreciation and amortization Change in fair value of preferred stock warrant liability		2,331	
Gain on extinguishment of convertible notes and warrants			
Stock based compensation		3,387	
Loss on abandonment of fixed assets			
Inventory writedowns	10	515	
Interest on convertible notes Changes in operating assets and liabilities:			
Changes in operating assets and trabilities: Accounts receivable	Names de la companión de la co		
Inventory	(4,074) 1,253	(1,708) (4,431)	
Prepaid expenses and other current assets	467	(60)	
Other assets	(3,085)	(3,078)	
Accounts payable	1,828	(267)	
Accrued ifabilities	219	(5,861)	
		(156)	
Deferred revenue	626	5,602	
Refundable reservation payments	(251) -		
Other long term liabilities Net cash used in operating activities	171 (10,319)	691 (45,360)	
Cash flows from investing activities Purchases of property and equipment, excluding capital leases Increase (decrease) in restricted cash deposits Net cash used in investing activities	(1,939) 156 (1,783)	(9,484) (3,950) (13,434)	
Cash flows from Financing activities	in was keeping name waxay m	no compres agraga i	
Proceeds from notes payable Proceeds from Issuance of convertible notes and warrants	3,490	41,818	
Proceeds from exercise of stock options		519	
Principal payments on capital leases and other debt	(19)	(131)	
Deferred common slock and loan facility issuance costs	(477)	(2,226)	
Net cash provided by financing activities	3,058	39,980	
Increase (decrease) in cash and cash equivalents	(9,044)	(18,814)	
The state of the s	and and the state of the state	COLUMN TO SERVE STATE ST	
Gash and cash equivalents, beginning of period	59,856	69,627	
Cash and cash equivalents, end of period	5 50,812	\$ 50,813	
Non cash activities			
Warrants Issued to DOE	=	\$ 6,293	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc. Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of May 31, 2010	\$87,429,077	
Total current liabilities as of May 31, 2010	\$30,378,838	Covenant
Current ratio as of May 31, 2010	2.88 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of May 31, 2010	\$50,812,789	Requirement \$15,000,000
Total Pro Forma Cash Balance	\$50,812,789 >	\$1,312,739 Interest Expense Annualized \$16,312,739

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of May 31, 2010

Mates, Michael

From:

Mike Taylor (b) (6)

Sent:

Saturday, July 31, 2010 3:10 PM Mates, Michael

To:

Cc: Subject:

Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer Tesla Motors Financial Statements for the Month Ended June 30, 2010

Attachments:

Tesla - DOE Compliance Certificate 072910.pdf

Mike,

Attached please find the financial statements for Tesla Motors, Inc. for the month ended June 30, 2010 and the accompanying compliance certificate.

Best,

Mike

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: July 29, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of June 30, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	X	A	<u> </u>	1		
			 	1	 	

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(l)

Tesla Motors, Inc. Consolidated Balance Sheet As of June 30, 2010 (In thousands)

•	Jun-10
Assets	(Unaudited)
Current Assets Cash and cash equivalents	6 47.004
Accounts receivable, net	\$ 47,304 6,467
Inventory	29,518
Prepaid expenses and other current assets	6,745
Total current assets	90,034
Property and equipment, gross	50,367
Accumulated depreciation	(17,211)
Property and equipment, net	33,156
Restricted cash	5,361
Other assets	19,423
Total assets	\$ 147,974
Liabilities, Convertible Preferred Stock and Stockholders' Equity	
(Deficit)	
Current Liabilities	6. 56.004
Accounts payable Accrued flabilities	\$ 25,634 7,087
Deferred revenue	8,099
Capital lease obligations, current portion	296
Warranty reserve, current portion	1,272
Refundable reservation payments	26,246
Total current liabilities	68,634
Convertible preferred stock warrant liability	16,708
Capital lease obligations, less current portion	639
Warranty reserve, less current portion	3,076
Notes payable, less current portion Deferred revenue, less current portion	45,419 2,116
Other long term liabilities	1,932
Total liabilities	138 524
The state of the s	
Preferred Stock	om et es communación de la companya
Series A, net of costs	3,549
Series B, riet of costs Series C, net of costs	12,899 39,789
Series D, net of costs	44,941
Series E, net of costs	135,669
Series F, net of costs	82,378
Total convertible preferred stock	319,225
Stockholders' equity (deficit)	
Common slock	8,
Additional paid in capital	18,905
Relained earnings (delicil)	
Net Income (loss)	(68,036)
Total etockholders' equity (deficit)	(310,036)
Total liabilities, convertible preferred stock and	
stockholders' equity (deficit)	S - 147,974
1. The second of the second se	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc Consolidated Statement of Operations For the Month and Six Months ended June 30, 2010 (In thousands)

	Jun-10 (Unaudited)	YTD 2010 (Unaudited)
Revenue Automotive sales (including zero emission vehicle credit sales)		
Development services	2,005	4,661
Total revenues	12,180	49,217
Cost of revenues Automotive	9,302	37,124
Development services	767	
Total cost of revenues	10,069	39,104
Gross profit	2,111	10,113
Operating expenses Research & development	6,880	28,681
Selling, general and administrative	11,952	38,792
Total operating expenses	18,832	67,473
Operating (loss) income	(16,721)	(57,360)
Interest income Interest expense Other Income (expense)	16 (168) (6,598)	and the second s
Pre-tax (loss) income	(23,471)	(67,908)
Tax	(17)	128
Net (loss) Income	\$ (23,454)	\$ (68,036)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(l)

Tesla Motors, inc. Consolidated Statement of Cash Flows For the Month and Six Months ended June 30, 2016 (in thousands)

	Jun-10 (Unaudiled)	YTD/2010 (Unaudited)
Cash flows from Operating activities	(Onadoned)	(Ottandited)
Net loss	\$ (23,454) \$	(68,036)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	844	4,624
Change in fair value of preferred slock warrant liability	6,349	8,681
Gain on extinguishment of convertible notes and warrants		
Slock based compensation	6,115	9,502
Loss on abandonment of fixed assets		
inventory writedowns	413	928
interest on convertible notes		
Changes in operating assets and liabilities:	to a commission section of the significant section section of the significant section sectio	Parva. (Saragaran da dal esper e
Accounts receivable	(1,270)	(2,979)
Inventory	(2,793)	(7,224)
Prepaid expenses and other current assets	(796)	(856)
Other assets Accounts payable	(429)	(507) 5,958
Accrued liabilities	6,226 1,388	(4,473)
Deferred development compensation	858	1,548
Deferred revenue	5 - Tulking Abidinas Sana mai	(156)
Refundable reservation payments	1,996	7,598
Other long term liabilities	1,720	198
Not cash used in operating activities	(2,832)	
Oral Barry Complementary at Military		
Cash flows from investing activities Purchases of property and equipment, excluding capital leases	(5,187)	(17,672)
Increase (decrease) in restricted cash deposits	2,169	(1,781)
Net cash used in investing activities	(3,018)	(19,453)
Jagi cásii nago ili ilivesulid acnatiles	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Cash flows from Financing activities		
Proceeds from notes payable	3,601	45,410
Proceeds from Issuance of convertible notes and warrants		
Proceeds from exercise of slock options	- 61	580
Principal payments on capital leases and other debt	(24)	(155)
Deferred common stock and loan facility issuance costs	(1,297)	
Net cash provided by financing activities	2,342	42,321
Increase (decrease) in cash and cash equivalents	(3,508)	(22,323)
Cash and cash equivalents, beginning of period	50,813	69,627
Cash and cash equivalents, end of period	\$ 47,304 \$	47,304
Non cash activities		
Warrants issued to DOE	\$	6,293

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of June 30, 2010	\$90,034,000	
Total current liabilities as of June 30, 2010	\$42,388,000	Covenant
Current ratio as of June 30, 2010	2.12 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Course
Cash balance as of June 30, 2010	\$47,304,000	Covenant Requirement \$15,000,000
Total Pro Forma Cash Balance	\$47,304,000 >	\$1,411,836 Interest Expense Annualized \$16,411,836

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of June 30, 2010

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: August 13, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of June 30, 2010, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to <u>Section 8.1(d)(iv)</u> of the Arrangement Agreement, <u>Exhibit 8.1(d)(iv)</u> attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	Allen	49	
Ву:	WALLOW	<u> </u>	

Name: DEEPAK AHOJA

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

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Exhibit 8.1(d)(l)

Tesla Motors, Inc. Consolidated Balance Sheets As of June 30, 2010 and December 31, 2009 (In thousands)

	Jun-10	Dec-09
Assets	(Unaudited)	
Current Assets		
Cash and cash equivalents	\$ 47,304	\$ 69,627
Accounts receivable, net	6,467	3,488
Inventory	29,518	23,222
Prepaid expenses and other current assets	6,745	4,222
Total current assets	90,034	100,559
Property and equipment, gross	50.367	36,265
Accumulated depreciation	(17,211)	(12,730)
Property and equipment, net	33,156	23,535
CONTROL TO THE CONTROL OF THE CONTRO	E	CONTRACTOR OF THE CONTRACTOR O
Restricted cash	5,361	3,580
Other assets	19,423	2,750
Total assets	\$ 2147,974	\$ 130,424
Liabilities, Convertible Preferred Stock and Stockholders' Deficit		
Current Liabilities		
Accounts payable	\$ 25,634	\$ 15,086
Accrued liabilities	8,359	14,532
Deferred revenue	8,099	1,533
Capital lease obligations, current portion	296	290
Refundable reservation payments	26,246	26,048
Total current liabilities	68,634	57,489
Convertible preferred stock warrant liability	16,709	1,734
Capital lease obligations, less current portion	639	800
Notes payable	45,419	
Deferred revenue, less current portion	2,116	1,240
Other long term liabilities	5,007	13,459
Total liabilities	138,524	64,722
Preferred Stock		
Series A, net of costs	3,549	3,549
Series B, net of costs	12,899	12,899
Series C, net of costs	39,789	39.789
Series D, net of costs	44,941	44,941
Setles E, net of costs	135,669	135,669
Series F, net of costs	82,378	82,378
Total convertible preferred stock	319,225	319,225
Charlehaldarah daffait		
Stockholders' deficit Common stock		
Additional paid in capital	18,906	7.124
Accumulated deficit	(328,689)	(260.654)
SANCTO SANTANTINI MAMBERSANIAN NE FRANKLING PRIMINE (MEDINE) (SANCH MERKEN FOLKA), EN	OF NEW CONTRACTOR OF STREET	HO OFFICE AND THE PROPERTY.
Total stockholders deficit	(309,775)	(253,523).
AND ADDRESS OF THE PROPERTY OF		
Total liabilities, convertible preferred stock and stockholders'		
deficit	\$ 147,974	\$130,424

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc Consolidated Statements of Operations (In thousands)

(iii tiiotsanus)	Three mor Juni 2010	aths ended e 30, 2009	Six mont June 2010	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue Automotive sales (including zero emission véhicle credit sales)		\$ 3 26,945	\$44,556	\$47,831
Development services	4,434		4,661	
Total revenues	28,405	26,945	49,217	47,831
Cost of revenues Automotive	20,266	24,844	87,124	47,776
Development services	1,878		1,980	
Total cost of revenues	22,144	24,844	39,104	47,776
Gross profit	6,261	2,101	10,113	55
Operating expenses ; Research & development	15,416	1,941	28,681	9,882
Selling, general and administrative	22,207,	8,247	38,792	14,854
Total operating expenses	37,623	10,188	67,473	24,736
Operating loss	(31,362)	(8,087)	(57,360)	(24,681)
Interest income Interest expense Other income (expense)	47 (464) (6,729)	29 (1,086) (1,715)	95 (694) (9,950)	(2,488) (257
Pre-tax loss	(38,508)	(10,859)	(67,909)	(26,867)
Tax	9	8.	127	2122
Net loss	\$ (38,517)	\$ (10,867)	\$ (68,036)	\$ (26,883)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).

Exhibit 8.1(d)(l)

Tesla Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

,	Three mon June		Six months ended June 30,						
	2010	2009	2010	2009					
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)					
Cash flows from Operating activities									
Net loss \$ spanier trouver at the control of the co	(38,516)	\$ (10,866)	\$ (68,036)	(26,883)					
Adjustments to reconcile net loss to net cash used in provided by operating activities:			とない。	数を受ける世界の変化が					
Depreciation and amortization	2.483	4,685	4.624	3.057					
Change in fair value of preferred stock warrant liability	6,349	25	%€04 %₹150 €1 70%€7 %3) 8.682	98					
Gain on extinguishment of convertible notes and warrants	ationarii ila ika	upopini paragal i nia	grade Hill	(1.468)					
Stock based compensation	6,115	153	9.502	243					
Loss on abandonment of fixed assets				PARTY TO SERVENCE					
Inventory writedowns	209	498	351	715					
Interest on convertible notes		1 244		2,686					
Changes in operating assets and liabilities:		=							
Accounts receivable	(535)	(4,015)	(2,978)	(1,226)					
Inventory	(1,139)	(3,820)	(6,647)	(8,763)					
Prepaid expenses and other current assets	(540)	(1,895)	(856)	(2,124)					
Other assets Accounts payable	(759)	(382)	(506)	(372)					
Accounts payable Accrued liabilities	2,852 2,138	815 266	5,958 (4,474)	2,279 489					
Other long term liabilities	1.146	729	(4,474)	409 1,367					
Deferred development compensation	- 12 1955 B 1407	(4,150)	(156)	201					
Deferred revenue	2,078	(1,901)	7,599	(2,884)					
Refundable reservation payments	257	9,450	198	4,266					
Net cash used in operating activities	(17,862)	(12,166)	(45 191)	(28,329)					
Cash flows from Investing activities									
Purchases of property and equipment, excluding capital									
leases	(9,199)	(2,527)	(17,672)	(3,429)					
Increase (decrease) in restricted cash deposits	(874)	(1,581)	(1,781)	(1,581)					
Net cash used in investing activities	(10,073)	(4,108)	(19,453)	(5,010)					
Cash flows from Financing activities	rich in Demokratie (1982) in	and with the state of the state	face half our serve while Gillian (1)	ikan di Jan Mina, Jayan Makadan .					
Proceeds from notes payable	15,499		45,419						
Proceeds from the Issuance of preferred stock Proceeds from issuance of convertible notes and	_ CONTRACTOR SECURISE	49,444	tisken sitte storete følkelsen til	49,444					
Proceeds from assuance of convertible fores and warrants		5.846		25,468					
Proceeds from exercise of stock options	221	33	680	13.474.674.6793.1 65					
Principal payments on capital leases and other debt	**************************************	3 (94)	247544565656 7155)	(215)					
Deferred common stock and loan facility issuance costs	(1,949)		(3,523)	en na de la company de la comp					
Net cash provided by financing activities	13,693	55,229	42,321	74,762					
Increase (decrease) in cash and cash equivalents	(14,242)	38,955	(22,323)	41,423					
Cash and cash equivalents, beginning of period.	61,546	11,745	69,627	9,277					
- Pallon and Galler Officers Statement Statement College and Assess of Assess		en and a second	LONG COLOR C	a Device Commence and the					
Cash and cash equivalents, end of period	47,304	\$ 50,700	-\$	50,700					
Non cash activities									
Warrants issued to DOE \$	6,293		\$ 6,293						
TOTIONO ROSSO DOL	0,200		Ψ 0,200						

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Convertible Preferred Stock and Stockholders' Deficit
For the Six Months Ended June 30, 2010
(Unaudited)
(in thousands)

	Convertible F	referred Stock	Commo	n Stock	Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance as of December 31, 2009	208,917,237	\$ 319,225		\$ 7	\$ 7,124	\$ (260,654)	
Issuance of common stock upon exercise of stock options Stock-based compensation			331,526	1 1500-5-12-6542	357 [3,387]		358 - 설립 (3:387)
Net loss	000 017 007	040.005	7 045/700		400000	(29,519)	(29,519)
Balance as of March 31, 2010 Issuance of common stock upon exercise of stock options			7,615,726 86,400	me especialization are recommend	223	(290,173)	223
Stock-based compensation				のでは、 1000年では、これがある。 1000年では、これがある。 1000年では、これがある。 1000年では、1000年である。 1000年では、1000年である。 1000年	6,115 1.700		6,115 1,700
Net Jossi					研究性 饱感流	(38,516)	(38,516)
Balance as of June 30, 2010	208,917,237	\$ 319,225	7,702,126	\$ 8	\$ 18,906	\$ <u>(</u> 328,689)	\$ (309,775)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

considers privileged, confidential and exempt from disclosure under the Fraction of Information Act (5 U.S.C. § 552(b)). commencial of financial information, of both, that Tosla Maters, inc. t was developed at private expense and includes trade secrets and COMPRENTAL - This document

Exhibit 8.1(d)(i)

Texta Motors, Inc.
Consolidating Balance Sheet
As of June 30, 2010
(Unaudited)
(in thousands)

Consolidated Total	\$57,000 198,00	11.2(1) (17.2(1) (38.15(1)	18 423 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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16,709 46,419 6,415 5,007 5,007 200,000 (200,000 (200,000 (200,000 (200,000 (200,000 (200,000) (20 A TOTAL CONTRACTOR OF THE STATE 22.52 2 Liabilities, Convertible Pretured Stock
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| Company | Comp (151) Total Libilities, Conventific Proferred Stock and Stockholders* Equity (Delict)

ឧ 3 85 1,25/ 5 بد 8 3,299 \$ 145,045 \$ 397 \$ 254 \$ \$ 1.08 362 \$ 3,181 \$ \$ 12.477 \$

9

The Company believes in good faith

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidating Statement of Operations For the Six Months Ended June 30, 2010 (Unaudited) (In thousands)

	US	uk	Germany	Морасс	Taiwan	- Australia	Denmark	Switz	erland	Leasing	Italy	Japan	Hon	g Kong	Canada	i C Elimin	ation	Consolidated To
INCOME STATEMENT							· ·											
Revenues Automotive sales (including zero emission vehicle gredit sales) 5	17)195	18.424	\$ 4,596	S 990			1. 3 67 -	s					929 s	150	2,19			\$ 3 445
Development Services	2,481	2,180	物性特殊性	Dang Ting	769623 7 -7	ENEMACE:	HERONET -	c 15	STEPRES.			\$0:50 75 157,115	HEIME	SERIE			REST.	ŢŖŶŢĬĹŊŊŢŖŶ ĄĠ
Intercompany revenue	28,229	1,594		antika.	25.00 GANG 16	Remindent		: 1 S		urus pad		FERENCE.	HANCEL			THE PORT OF STREET	(29,638)	gangana ing sanggala Santa malay baka San
Total revenues	47,905	22,198	4,596	990	16					81			929	150	2.19	1	(29,839)	49,2
Cost of revenues Automotive sales	\$6,788	232	A	SARTE PAR		S oursonere	<u> </u>	3)	6 (18) (17) (18)	414.0 4 73 0		94.YEARING	67.	SECTION OF			(28)	3.50 (1.50 (.37.1)
COGS - Development services	1,980	GERSHI	91K302287		antige was		124 K.S	1,33		udziecejii		NEW NEW YORK		andram		Florett Healts	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	$(C_{p}^{N})^{2}/(C_{p}^{N})$
Intercompany COGS	2,515	15,213.	3,790	S. 15 / 17 633		Str. 7000000000000000000000000000000000000	$= \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} \right) dx + \frac{\partial^{2} g}{\partial x_{i}^{2}} \left(\int_{0}^{\infty} \frac{\partial^{2} g}{\partial x_{i}^{2}} dx + \frac$	- (Q	COLT CAS		20 MAG	OTHER COLL	844-() [128	Ran Billi		(27,755)	Androve
Total cost of revenues	41,283	18,445	3,866	544	(85					73			901	128	1,73	Z	(27,783)	39,10
Gross profit (loss)	8,522	3.753	730	445	101					8			28	22	45		(2,055)	10.1
Operating expenses Research and development	25,141	2,126	valsenski		Patelineka		STANTA -			en keten kalan kerenga Makasa Albah Salah		ingstote (1944) ili gist se Pagginta kinasin (1947)	erongureous Canada de Na			T 350%400	(1,586)	9.5 7 7 28.6
Selling, general and administrative	33,984	2483	865	731		80.015.35.35.35.35.35.35.35.35.35.35.35.35.35	60016385 *	2		357,9834023						#11514887467	(15)	E10(11)(7)(387)
Total operating expenses	62,125	4,609	865	731	183		<u> </u>	2	156	41		52	155_	. 6	5	2	(1,602)	67.4
Operating Income (Loss)	(55,503)	(856)	(135	(1) (1) (1) (1) (1) (2) (1) (2) (1)	K-12-10-17-(82	KOMPENSION	OTEQ¥IS (®	2)	(155)	(33)	dian teTu	12) (**25**********************************	(127) (127)	16	40	nere state	(454)	(57,3)
Otter (Income) expense	94	85,02531 3 6	aaktootea	estrutus.		P/(2012/2514)	eren e		v <u>- 1</u>		医红色 建温	072BE255	e in Secretary	rayaya Sayaya	ka 456-21	SONFINA.		ideraleykora
Interest Expense Other income and expense	(694)	_	_	70002071 .42	_	+	inistrat o	5 : (3	(14)	1012 PS - 052	27,7535.	or construction	_ _as	1200 Fr <u>27</u> 5	achalista t	9 000000000	BEG.	(6) (9,9)
Pre-Tax income (loss)	(65,992)	(719)	(251	(327	(79		8) (9	0	(170)	(33)		70	(89)	15	39		(454)	(67,91
Corporate Income tex	128	WANTA	$S_{\rm coll}^{\rm NN}(\mathbb{F}_q^{\rm NN})$	AND THE	institution	ettenes	13900 -	. 15		ndanaz			eringana		Marke		الإنجازية الأن المراكزية الإنجازية	Feather som
Net income (loss)	(66,120) 5	(719)	5 (281) \$ (327	\$ (78	S	8) \$ (9	7) \$	(170) \$	(33) \$	(71) \$	(89) \$	16 5	39	5 5	(454)	\$ (68,0)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidating Statement of Operations For the Three Months Ended June 30, 2010 (Unaudited) (in thousands)

	US .	UK	Germany	Menaco	Taiwan	Australia	Denmari	k . S	witzerland	Leasing	Italy	Japan	Hong K	one	Canada	IC Elimination	Consoli
COME STATEMENT	·····																
Althomotive galor and religion zoro	8,205 \$	9,493 \$	2366 \$,558 \$	recensia. Kaluaka			- \$		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		S	7.874.004.4 9 .5 5 77.004.4	150 (\$	2.191	ni 250t 1765 Politika San	\$
Development Services																	
Intercompany revenue									: d:3863		a and and and	STATES AND A	HERE WER				
Total revenues	28,716	11,673	2,368	558						79		92	9	150	2,191	(18,247)	
t of revenues Automotive seles	20,027	1990 108 2 6	(a.g., 17. 17. 28 (\$1.7.)	THE REPORT	61231Act	regression de la company	Part Service	•	RATE			ELECTION			quakra	(2B)	W.222
OGS - Development services	SECTION CO	SECRETARY.	STALLING SA	IN PING		TELLOGIE		-	$.)\langle \hat{z}(\hat{z})\hat{\varphi}(\hat{z})\rangle_{\hat{z}}\hat{z}^{\hat{z}}\rangle_{\hat{z}}$		STERLEY.					menter in	307.00
ntercompany COGS	M.900.	10,879	[2/034]	7117 478			23333 -		JUP II			SINGERO.	#USBITA	126	1732	(17,875)	15-255a
Total cost of revenues	23,885	10,787	2,062	481						71		90	1	128	1.732	(17,903)	
ss profit (loss)	4,621	885	304	77						ź			8	22	458	(344)	
rating expenses lesearch and davelopment	4746	676	iro de 82 de 1910 d	(m2212/01th)	wd/owy?	O NOTA REPORTAL	ela Vara		200 % 33	TERRETANIA	t-0300pm(453)		erenerene.	dhisachturid	trovijesta isteris		897572
selling, general and administrative								82	\$10 135 45	7 (15 16 24)		196289850 0					10.000
Total operating expenses	34,025	2.209	480	373	12			82	135	24	62	15	5	6	52		
rating income (Loss)	(29204)	(1,323)	(17 9)	(296)	(12)		erezek	(82)	(135)	Manager (1968)	(62)	4.5% (Vantal) (12	ns tass		2010 407	7812.78 (1) (5 (644)	20028080
er (income) expense					. at the designation	Security of the second of			or other fall	un este este a contrato	sea succession of the sec.	· · · · · · · · · · · · · · · · · · ·	The Carlotte State of the Control		714 - P.M 770	COMPANY OF THE CASE OF THE	
nterest Income nterest Expense	(464)				(44) 33EM		Maria.					#					2 84-1 10-14-1
Other income and expense	(7,006)	325	(50)	70. J.	Article (1986)	TEROLOGICA		(15)	(do)		37. ac. (9)	ACTURAL A		CHRIST	(12)		LONG CONTRACT
-Tax income (loss)	(36,627)	(898)	(226)	(286)	(12)	(B)	(97)	(145)	(16)	(7t)	(E	9)	16	395	(344)	-
Corporate Incorne (arc	/特殊性 10 页色		TYMPHYON		and Army		rain .		SZKR			MANUSE					\$2000 B
t income (loss) \$	(36,637) \$	(998) \$	(226) \$	(236) \$	(11)	\$ (8)	5	97) \$	(145) 5	\$ (16)	(71)	\$ (6	9) \$	16 5	395	\$ (344)	\$

The Company believes in good fatth that the unaudited financial statements herein fairly present the financial results of the Company as of the date Indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of June 30, 2010 Total current liabilities as of June 30, 2010 Current ratio as of June 30, 2010	\$90,034,000 \$42,388,000 2.12 >	Covenant Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		0
Cash balance as of June 30, 2010	\$47,304,000	Covenant Requirement \$15,000,000
Total Pro Forma Cash Balance	\$47,304,000 >	\$1,411,836 Interest Expense Annualized \$16,411,836

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of June 30, 2010.

Mates, Michael

From:

Sent:

Mike Taylor (b) (6) Monday, August 30, 2010 10:41 PM Mates, Michael

To:

Cc:

Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer; Diarmuid O'Connell Tesla Motors Financial Statements for the Month Ended July 31, 2010

Subject:

Attachments:

Tesla - DOE Compliance Certificate 083010.pdf

Mike,

Attached please find the financial statements for Tesla Motors, Inc. for the month ended July 31, 2010 and the accompanying compliance certificate.

Best,

Mike

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: October 28, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("DOE").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of September 30, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By: Almja	
Name: Deepak Ahuja	
Title: CFO	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, inc. Consolidated Balance Sheet As of September 30, 2010 (In thousands)

	Sep-10
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	\$ 96,563
Accounts receivable	8,062
Inventory	39,508
Prepaid expenses and other current assets	
Total current assets	154,670
Property and equipment, net	42,896
Hastricted, cash	145,622
Other assets	20,100
Total assets	\$ 363,288
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$ 26,990
Accrued liabilities	10,368
Deferred revenue	3,477
Capital lease obligations, current portion	291
Reservation payments	27,889
: Reservation payments Total current liabilities	
Beservation payments Total current liabilities	27,869
Reservation payments Total current liabilities Common stock warrant liability	27,869
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion	27,889 68,995 6,675 566
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion	27,889 68,995 6,675
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt Deferred revenue, less current portion	27,869 68,995 6,675 566 56,657 2,514
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt Deferred revenue, less current portion Other long-term liabilities	27,869 68,995 6,675 566 56,657 2,514 6,058
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt Deferred revenue, less current portion	27,869 68,995 6,675 566 56,657 2,514
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt Deferred revenue, less current portion Other long-term liabilities Total liabilities	27,869 68,995 6,675 566 56,657 2,514 6,058
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt* Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity	27,869 68,995 6,675 566 -56,657 2,514 -6,098 141,365
Heservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt* Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock	27,869 68,995 6,675 566 56,657 2,514 6,098 141,365
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt: Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital	27,869 68,995 6,675 566 56,657 2,514 6,058 141,365
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long term debt: Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital Accumulated deficit	27,869 68,995 68,995 566 56,657 2,514 6,058 141,365 283,454 (260,654)
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt: Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital	27,869 68,995 6,675 566 56,657 2,514 6,058 141,365
Heservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt! Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital Accumulated deficit Nat Income (loss)	27,869 68,995 68,995 566 56,657 2,514 6,058 141,365 283,454 (260,654)
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long term debt: Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital Accumulated deficit	27,869 68,995 68,995 566 56,657 2,514 6,058 141,365 283,454 (260,654)
Reservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt: Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital Accumulated deficit Net Income (loss) Total stockholders' equity	27,869 68,995 6,675 566 56,657 2,514 6,058 141,365 293 583,454 (260,654) (100,970)
Heservation payments Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt! Deferred revenue, less current portion Other long-term liabilities Total liabilities Stockholders' equity Common stock Additional paid in capital Accumulated deficit Nat Income (loss)	27,869 68,995 68,995 566 56,657 2,514 6,058 141,365 283,454 (260,654)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc Consolidated Statements of Operations For the Month and Nine Months ended September 30, 2010 (In thousands)

	Sep-10	YTD 2010
_	(Unaudited)	(Unaudited)
Revenue Automotive sales (including zero emission vehicle credit sales)	13,908	\$ 67,906 i
Development services	1.056	12,552
Total revenues	14,964	80,458
Cost of revenues		
Automotivo	12,035	56,581
Development services	1,055	A,467
Total cost of revenues	13,090	61,048
Gross profit	1,874	19,410
Operating expenses		
Research & development	12,125	53,379
Selling, general and administrative	9,056	59,224
Total operating expenses	21,181	112,603
Operating loss	(19, 3 07)	···· (93,193)
Interest Income:	E 27	195
Interest expense Other income (expense)	(55) 1/125	(992) ≟(6,770)
Pro-tax loss	(18,210)	(100,760)
Tax	83	210
Net loss	\$	\$ (100,970)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(l)

Tesia Motors, inc. Consolidated Statement of Cash Flows For the Month and Eight Months ended September 30, 2010 (in thousands)

(in inousands)	Nacret N		time and a
	97,00	Sep-10	YTD 2010 -
		(Unaudited)	(Unaudited)
Cash flows from Operating activities			
Not loss		(18,293)	\$ (100,970)
Adjustments to reconcile net loss to net cash	e wellegit.		
used in provided by operating activities:	201122	rnistissa Automotivatarininga ministrativa.	
Depreciation and amortization Change in fair value of preferred stock warrant liability			7.733
Change in fair value of preferred stock Warrant liability	eneesé	(680)	5,610
Stock based compensation		3,811	18,313)
Inventory writedowns		301	652
Changes in operating assets and liabilities: Accounts receivable	munSe	(3,893)	STORESCHE AND STORESCHE
			(4,575)
Inventory Frépaid expenses and other current assets	355 6 73	(506) 458	(16,937) (4,776)
Other assets		(201)	(9775) (818)
Accounts payable	UNIVERSE N	(201) 5.147	7,993
Accrued liabilities	- T.	995	(2,465)
Other long term liabilities	55°45	333 828	2,599
. Deferred development compensation	2000		(156)
Defend revenue		1,019	3,374
Refundable reservation payments	ardesist n	(734)	1,822
Net cash used in operating activities	Some N	(10.627)	
			(13)
Cash flows from investing activities			
Purchases of property and equipment, excluding capital leases	i	(58,197)	(87,697)
Increase (decrease) in restricted cash deposits		5,829	(89,982)
Not cash used in investing activities	2015	(52,368)	
F			
Cash flows from Financing activities			
Proceeds from notes payable		5,338	56,557
Proceeds from issuance of convertible notes and warrants		-	*
Proceeds from exercise of stock options	4.60	102	741
Proceeds from IPO and private placement			238,842
Principal payments on capital leases and other debt ≥		(20)	(233)
issuance costs		285	(3,691)
Net cash provided by linancing activities		5,705	292,216
contribution and continuents in the manufactor (Manufactor) in	4258-354VI	Ekster til skille fra fra 12.	sahahadapagagagaga seresi
Increase (decrease) in cash and cash equivalents		(57,290)	26,936
	1387 (205	ensenaki da araba da	ONE TAXABLE PROPERTY OF THE TAXABLE PARTY.
Cash and cash equivalents, beginning of period		153,853	69,627
	ide e a	Company of February	6 Melectronic property por
Cash and cash equivalents, and of period	্	96,563	\$ 96,563
Name			
Non cash activities			è pana
Warrants issued to DOE		=	\$ 6,293
Conversion of preferred stock		=	319,225
Net exercise of preferred stock warrants			6,962
issuance of common stock warrants			1,700

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc. Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of September 30, 2010	\$154,670,000		
Total current liabilities as of September 30, 2010	\$41,126,000		Covenant
Current ratio as of September 30, 2010	3.76	>	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)			Covenant
Cash balance as of September 30, 2010	\$96,563,000		Requirement \$15,000,000
Total cash balance	\$96,563,000	>	\$1,642,327 Interest Expense Annualized \$16,642,327

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 134 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 134 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Deepak Ahuja (b) (6)

Sent:

Monday, November 15, 2010 9:35 PM

To:

Mates, Michael

Cc:

Tom vonReichbauer; Mike Taylor; Zachary Kirkhorn

Subject:

DOE Reporting for Q3

Attachments:

Quarterly Progress Report Q3 2010 (101115).pdf; Exhibit A - Tesla Motors Status Report Q3 2010 (101115).pdf; Exhibit B - Tesla Motors AUP report Q3 2010.zip; Quarterly Compliance

Certificate Q3 2010 (101115).zip

Mike,

Attached for our Q3 reporting to the DOE are: (1) Quarterly Progress Report, and (2) Quarterly Compliance Certificate.

The Quarterly Progress Report has Exhibit A) which includes our updated Business Plan, and Exhibit B) as our latest AUP report for Jan-May 2010 expenses (which we had submitted to you previously).

Please let me know whenever you want to have a follow-up conversation regarding the business plan. Thanks.

Deepak Ahuia

From: Zachary Kirkhorn

Sent: Monday, November 15, 2010 5:12 PM

To: Deepak Ahuja

Cc: Mike Taylor; Tom vonReichbauer **Subject:** RE: DOE Reporting for Q3

Deepak – try this. I've left the documents separate, and only zipped the AUP report and Compliance Certificate as they're the largest.

-Zach

Zach Kirkhorn | Operations Finance | 3500 Deer Creek Rd., Palo Alto, CA 94304 i tel (b) (6)

From: Zachary Kirkhorn

Sent: Monday, November 15, 2010 5:01 PM

To: Deepak Ahuja

Cc: Mike Taylor; Tom vonReichbauer **Subject:** RE: DOE Reporting for Q3

Deepak -

Attached are the two documents for our Q3 submission to the DOE: (1) Quarterly Progress Report, and (2) Quarterly Compliance Certificate.

Thanks, Zach

Zach Kirkhorn | Operations Finance | (b) (6) 3500 Deer Creek Rd., Palo Alto, CA 94304 | tel(b) (6) From: Deepak Ahuja

Sent: Sunday, November 14, 2010 7:47 PM

To: Zachary Kirkhorn

Cc: Mike Taylor; Tom vonReichbauer **Subject:** RE: DOE Reporting for Q3

Zach,

Looks OK to me. Thanks for pulling this together.

Just want to confirm that we have already shared this AUP report with the DoE.

We will finalize the revised business plan tomorrow and can submit the entire package.

Deepak Ahuja

(b) (6)

From: Zachary Kirkhorn

Sent: Friday, November 12, 2010 3:19 PM

To: Deepak Ahuja

Cc: Mike Taylor; Tom vonReichbauer **Subject:** DOE Reporting for Q3

Deepak -

Attached is the draft of the submission for the Q3 quarterly reporting. There are two documents (1) Q3 Compliance Certificate and (2) Q3 Progress Report. When you and Tom have aligned on the business plan, we'll slot that in as Exhibit A for the Q3 Progress Report.

The Q3 Progress Report contains both the business plan and progress report, which will be Exhibit A and the AUP results for the most recent audit (Jan – May 2010 expenses) as Exhibit B.

Please let me know if you have any questions. Wanted to get this draft in front of you in cause you wanted to make any changes.

Thanks, Zach

Zach Kirkhorn | Operations Finance | (b) (6) 3500 Deer Creek Rd., Palo Alto, CA 943041 tel (b) (6)

Mates, Michael

From:

Sent:

Zachary Kirkhorn [(b) (6) Monday, November 29, 2010 6:30 PM Mates, Michael

To:

Cc: Subject: Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer Tesla Motors Financial Statements for October 2010

Attachments:

Tesla - DOE Compliance Certificate 112910.pdf

Mike,

Attached please find the Tesla Motors financial statements for the month of October 2010 and the accompanying compliance certificate.

Thanks,

Zach

Zach Kirkhorn | Operations Finance | (b) (6) 3500 Deer Creek Rd., Palo Alto, CA 94304 | tel (b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: December 23, 2010

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of November 30, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has	s executed this Compliance Certificate as of the
date first written above.	
TEOL MOTORS INC	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of November 30, 2010 (In thousands)

	- Nov-10
Assets	(Unaudited)
Current Assets	,,
Gash and cash equivalents	\$5.7 -104,558
Restricted cash	82,364
Accounts receivable not	42.4 46.543
Inventory	42,633
Prepald expenses and other current assets	-16.6914
Total current assets	251,689
	•
Property and equipment, net	111,090
Héstricled each	4.831
Other assets	15,133
Total assets	\$ 382,7433
And the second s	100
Liabilities and Stockholders' Equity (Deficit)	
Current Liabilities	
Accounts payable	\$ 24.834
Accrued liabilities	16,293
Delegred revenue	5 690
Capital lease obligations, current portion	268
Rejundable reservation payments	31366
Total current liabilities	78.351
	10,001
Common stock warrant liability	6.675
Capital lease obligations, less current portion	534
Longitern debta Deterred revenue, less current portion	63,060
Deferred revenue, less current portion	2,739
Other long term labilities	6 454
Total liabilities	157,813
Stockholders' equity (delicit)	
Common slock	77 95
Additional paid in capital	613,582
Accymulated deficit	7388.7471
	The state of the s
Total stockholders' equity (delicit)	224,930
	Commence of the Party of Party
Total liabilities and stockholders equity (deficit)	\$ 382,743
The first state of the second	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc Consolidated Statements of Operations For the Month and Eleven Months ended November 30, 2016 (in thousands)

ļ.	Nov-10	
_	(Unaudited)	(Unaudited)
Revenue /Automotive sales: 7	\$ 9,216	\$ 14 935
Development services	15/25 (57c)	16,248
Control of the contro	9,878	1017183
Cost of revenues		
Automotive	7,442	70,293
Qevelopment services	103	5,408
lotal cost of revenues	7,545	75,701
Gross profile and the state of	1,828	25,482
Operating expenses		
Research & development	10(283	74,139
Selling; general and administrative	6,583	71,370
rictal operating expenses.	18,866	145,509
Operating Res	(15,038)	(120,027)
nieres i nyome		£2 i 3 j
Interest expense Other income (expense)	(146) (250)	(1,279) (6,820)
Project (088)	(15,412)	(127,883)
(fax:oscillation)		# FEE 2017
Net loss	\$ (15,412)	(128,094)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(l)

Tesia Motors, inc. Consolidated Statement of Cash Flows For the Month and Eleven Months ended November 30, 2010 (in thousands)

(in thousands)		1175.4446
	Nov-10	-YTD 2010
Conta Datum forms Consenting and dis-	(Unaudited)	(Unaudited)
Cash flows from Operating activities Not loss	\$ (15,412)	6 /100 cos
Adjustments: lo reconcile net loss to net cast:	\$ (15,412)	\$ (128,094)
used in provided by operating activities:	The state of the s	physical desired from the
Depreciation and amortization		9,545
Change in fair value of preferred stock warrant liability	-	5,610
Slock based compensation 24.		19313
Inventory writedowns		652
Changes in operaling assets and flabilities:	dell'i dell'anno	
Ensette Accounts receivable standards a standard of the interior	(2,002)	(3(055)) (20,062)
Prepald expenses and other clining assets	(5.128)	
Operating lease vehicles	(629)	(7,402)
Cition assets - Programme - Company	274	(503)
Accounts payable	473	8,319
Accrued Jabilities	3,266	3,461
Other long term itabilities	233	2,995
Deferred revenue	130	(160)
Refundable reservation payments	130	5,712 5,712 5,318
Net cash used in operating activities	(7,919)	(115,716)
Test addit and it observing continue	1,10,101	(110,110)
Cash flows from investing activities		
Purchases of property and equipment excluding capital leases	(4,648)	CO. C.
Increase (decrease) In restricted cash deposits	(3)	(83,615)
Net cash used in investing activities and the second secon	(4,651)	(178;123)
Cash flows from Financing activities		
Proceeds from notes payable		63,060
Proceeds from Issuance of convertible notes and warrants		, (a), acap to
Proceeds from exercise of stock options	76	891
Proceeds from Issuance of common stock	30,000	30,000
Delerred common stock issuance cost (Panasonic)	(9) E-14 (9)	(43)
Proceeds from IPO and private placement Principal payments on capital leases and other debt	-	238,842
Issuance costs	1	(288). (3,692)
Nel cash provided by inancing admites	30,044	328,7703
	Sample of September 1981 and 1	1100
ncrease (decrease) in cash and cash equivalents	17,47Â	34,931
		All All declarations
Cash and dash equivalents beginning of patieds and a second second	87,084	. 9 69 627 G9 627
Geen and desired livelents; end of period:	\$ 104,558	\$
Non cash activities		
Warrants issued to DOE	_	\$6,293
Conversion of preferred stock	•	319,225
Net exercise of preferred stock warrants	•	6,962
issuance of common stock warrants	•	1,700
	:	

The Company believes in good falih that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of November 30, 2010	\$251,689,000	
Total current liabilities as of November 30, 20	\$46,985,000	Covenant
Current ratio as of November 30, 2010	5.36 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of November 30, 2010	\$104,558,000	Requirement \$15,000,000
Total Cash Balance	\$104.558.000 >	\$1,779,002 Interest Expense Annualized \$16,779,002

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 134 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 30 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration:	\$ 0 MM
Investment Amount:	\$ 0 MM
Cash Investment Amount:	\$0 MM

Mates, Michael

From:

Sent:

Zachary Kirkhorn [(b) (6) Wednesday, January 26, 2011 6:12 PM

To:

Mates, Michael

Cc: Subject: Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer Tesla Motors Financial Statements for December 2010

Attachments:

Tesla - DOE Compliance Certificate 012611v2.pdf

Mike,

Attached please find the Tesla Motors financial statements for the month of December 2010 and the accompanying compliance certificate.

Thanks, Zach

Zach Kirkhorn | Operations Finance | (b) (6) 3500 Deer Creek Rd., Palo Alto, CA 94304 | tel (b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: January 26, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of December 31, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By:	MICOL	
-		

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(l)

Tesia Motors, Inc. Consolidated Balance Sheet As of December 31, 2010 (In thousands)

	Dec-10
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	\$ 99,558
Restricted cash	73,597
-Accounts receivable net	6,740
Inventory	45,183
Prepaid expenses and other nurrent assets	10,788
Total current assets	235,836
Operating lease vehicles, net	-7,963
Property and equipment, net	122,563
Restricted cash	4,866
Other assets	14,667
Total assets	\$ 385,895
the development is a contract of the second c	
Liabilities and Stockholders' Equity (Deficit)	
Current Liabilities	
-Accounts payable	\$ 28,561
Accrued liabilities	20,946
Deferred revenue	<u>.</u> = ≠ ≤ =4,634
Capital lease obligations, current portion	279
Refundable reservation payments	= 30,755
Total current liabilities	85,175
Gommon stock warrant liability	6,088 496
Capital lease obligations, less current portion	71 828
Long-term debt	2,784
Deferred revenue, less current portion	2,764 12,233
Other long term liabilities Total liabilities	178,604
Total namintes	170,004
Stackholders' equity (deficit)	
Common slock	295
Additional paid in capital	621,860
Accumulated deficit	(414,664)
	WALL STREET, S
Total stockholders' equity (deficit)	207,291
Total Habilitles and stockholders equity (deficit)	\$ 385,895

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

35,

Tesla Motors, Inc Consolidated Statements of Operations For the Month and Twelve Months ended December 31, 2010 (In thousands)

· ·	Dec-10 (Unaudited)	YTD 2010 - (Unaudited)
Revenue Automotive sales'		\$ 97.077
Development services		19,667
Fotal revenues:	16,561	116,744
Cost of revenues Attemotive	9,689	79,982
Developmentservices	623	€ - 6,031
Total cost of revenues	10,312	86,013
Gross profit	5,249_	30//31
Operating expenses Research & development	18 746	92.736
Selling general and administrative	12,946	84,465
Total operating expenses	31,692	177;201
Operating loss	(26,443)	(146,470)
Interest expense	16 286	259 (993)
Other Income (expense)	200	(6,695)
Pre-tax loss :=	(25,916)	(153,799)
ejax.	1	212
Net loss	\$ (25,917)	\$ (454,011)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and Twelve Months ended December 31, 2010
(in thousands)

Cash flows from Operating activities Not loss \$ (25,917) \$ (154,011) Adjustments to recordicientel loss to net cash used in provided by operating activities: Depractation and sind rization 1,078 10,623 Change in fair value of preferred stock warrant liability (587) 5,023 Change in fair value of preferred stock warrant liability (587) 5,023 Change in fair value of preferred stock warrant liability (587) 5,023 Change in operating assets and liabilities: 7,643 21,156 Loss on abandonment of fixed assets 8 8 Biveniory writedowns 299 9,511 Loss on abandonment of fixed assets 8 8 Biveniory writedowns (187) (3,522) Loss on abandonment of fixed assets 8 8 Biveniory writedowns (187) (3,522) Loss on abandonment of fixed assets 299 9,511 Loss on abandonment of fixed assets 8 8 Biveniory writedowns (187) (3,522) Loss on abandonment of fixed assets 8 8 Biveniory writedowns (187) (3,522) Loss on abandonment of fixed assets (187) (2,549) Prepald expenses and oblatic current assets (187) (2,549) Prepald expenses and oblatic current assets (187) (1,522) Departing lease vehicles (1,522) (1,522) Operating lease vehicles (1,522) (1,522)
Cash flows from Operating activities \$ (25,917) \$ (154,011)
Modistrients to recordie not loss to not cash used in provided by operating activities:
Adjustments to recordide not loss to piet cash used in provided by operating activities: Depredation and amortization 1,078 40,623 Change in fair value of preferred stock warrant liability (587) 5,023 Stock Based compensation 7843 21,156 Loss on abandonment of fixed assets 8
Used In provided by operating activities: Deprecation and annolization 1,078 40,823 1,078
Depreciation and amortization 1,078 40,623 Change in fair value of preferred stock warrant liability 1,078 5,023 5,023 5,024 5,025 5,024 5,025
Change In fair value of preferred stock warrant liability (587) 5,023 (568) (584) (21,166) (583) (584) (21,166) (583) (5
Stock based compensation 7,843 21,156 Loss on abandonment of fixed assets 8 8 Inventory Writedowns 299 9515 Changes in operating assets and illabilities:
Loss on abandonment of fixed assets Changes in operating assets and liabilities: Accounts receivable (197) (1922) Inventory (2,849) (22,911) Prepaid expenses and other current assets 3,048 (4,925) Operating lease vehicles (196) (197) Operating lease vehicles (196) (196) (196) Obtar assets (196) (196) (196) Accounts payable (196) (196)
Inventory Writedowns
Changes in operating assets and liabilities: Accounts receivable
Inventory
Riepald expenses and other current assets 9,48 (4,925)
Operating lease vehicles
Oliginal sels 279 (410) Accounts payable 5,850 2,274 Accounts payable 5,850 2,274 Accounts payable 5,850 2,274 Accounts payable 1,312 13,272 Other long term liabilities 5,778 8,774 Déferréd dévelopment compensation (158) Deferred revenue (911) 4,801 Réfundable reservation payments (610) 43,707 Net cash used in operating activities (6,543) (122,444) Cash flows from Investing activities Puichases of property and egypment, excluding capital lease (16,389) (1,10,712) Increase (decrease) in restricted cash deposits 8,732 (74,884) Net cash used in investing activities (7,657) (185,696) Cash flows from Financing activities Proceeds from less payable 8,768 71,928 Proceeds from issuance of convertible notes and warrants -
Accounts payable 5,850 2,274
Accrued liabilities
Other long term liabilities 5,778 8,774 Deferred development compensation (168) Deferred revenue (911) 4,801 Refundable ressignation payments (610) 42,071 Net cash used in operating activities (6,543) (122,444) Cash flows from investing activities Purchases of property and equipment, excluding capital leases (18,389) (1107/12), increase (decrease) in restricted cash deposits 8,732 (74,664) Net cash used in investing activities (7,657) (185,598) Cash flows from Financing activities (7,657) (185,598) Cash flows from Financing activities (7,657) (185,598) Proceeds from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from issuance of common stock - 30,000 Deferred common stock (19,000) Proceeds from issuance of complaints and other debt (28) (366)
Deferred development compensation Deferred revenue (911) 4,801 Refundable reservation payments (610) 74,707. Net cash used in operating activities (6,543) (122,444) Cash flows from investing activities Purchases of property and eguipment, excluding capital leases (16,389) (110,742) Increase (decrease) in restricted cash deposits 8,732 (74,864) Net cash used in investing activities (7,657) (185,696) Cash flows from Financing activities (7,657) (185,696) Cash flows from Financing activities (7,657) (185,696) Cash flows from Financing activities (7,657) (185,696) Proceeds from issuance of convertible notes and warrants (7,657) (185,696) Proceeds from issuance of common slock 1,351 Proceeds from issuance of common slock Proceeds from issuance of common slock 1,351 Proceeds from issuance of
Deferred revenue (911) 4,801 Refundable reservation payments (610) #4,707. Net cash used in operating activities (6,543) (122,444) Cash flows from investing activities Purchases of property and egypment, excluding capital leases (36,389) (170,712), increase (decrease) in restricted cash deposits 8,732 (74,864) Net cash used in investing activities (7,657) (185,596) Cash flows from Financing activities (7,657) (185,596) Cash flows from Financing activities Proceeds from loss payable Proceeds from issuance of convertible notes and warrants Proceeds from issuance of common slock - 30,000 Deferred common shock (3,000) Perented common shock (1,000) Perented common shock (1,000) Proceeds from ISO and private placement - 236,842 Principal payments on capital leases and other debt (28) (366)
Rejundable reservation payments (610) #4/07* Net cash used in operating activities (6,543) (122,444) Cash flows from investing activities Purchases of property and egypment, excluding capital leases (16,389) (110/712), increase (decrease) in restricted cash deposits 8,732 (74,884) Net cash used in investing activities (7,657) (186,596) Cash flows from Financing activities (7,657) (186,596) Cash flows from Financing activities (7,657) (186,596) Proceeds from less payable 8,741,928 Proceeds from issuance of convertible notes and warrants - 30,000 Deterred common stock (180,000) Perented common stock (180,000) Proceeds from issuance of common stock - 30,000 Deterred common stock (180,000) Proceeds from IPO and private placement - 236,842 Principal payments on capital leases and other debt (28) (366)
Net cash used in operating activities Cash flows from investing activities Purchases of property and egypment, excluding capital leases Increase (decrease) in restricted cash deposits Net cash used in investing activities Cash flows from Financing activities Cash flows from Financing activities Proceeds from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from issuance of common stock Deferred common stock issuance of common stock Proceeds from issuance of convertible notes and warrants Cash flows from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Cash flows from issuance of convertible notes and w
Cash flows from Investing activities Princhases of property and egypoment, excluding capital leases (16.389) (1107/12), Increase (decrease) in restricted cash deposits 8,732 (74,884) Nel cash used in Investing activities (7,657) (185,696) Cash flows from Financing activities Proceeds from leasure of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from exercise of slock options Proceeds from issuance of common stock - 30,000 Deferred common stock (3,000 (42) Proceeds from IPO and private placement - 233,842 Principal payments on capital leases and other debt (28) (366)
Purchases of property and egypment, excluding capital leases (18,389) (174,864) (174,864) (174,864) (174,864) (174,864) (174,864) (174,864) (176,8
Increase (decrease) in restricted cash deposits 8,732 (74,884) Nel cash used in investing activities (7.657) (185,596) Cash flows from Financing activities Proceeds from place payable Proceeds from issuance of convertible notes and warrants Proceeds from exercise of slock options Proceeds from issuance of common slock Proceeds from IPO and private placement Proceeds from IPO and private placement Proceeds from issuance of common slock (Panasonio) Proceeds from IPO and private placement Proceeds from issuance of common slock (Panasonio)
Net cash used in investing activities Cash flows from Financing activities Proceeds from loss payable Proceeds from issuance of convertible notes and warrants Proceeds from issuance of convertible notes and warrants Proceeds from issuance of common stock Proceeds from issuance of common stock Deferred common stock 400 1,3513 Proceeds from issuance of common stock 50,000 Deferred common stock 50,000 Proceeds from IPO and private placement 238,842 Principal payments on capital leases and other debt (28) (316)
Cash flows from Financing activities Proceeds from roles payable 7/1828 Proceeds from issuance of convertible notes and warrants Proceeds from exercise of slock options Proceeds from issuance of common slock 30,000 Deferred common stock (Panasonio) (42) Proceeds from IPO and private placement 238,842 Principal payments on capital leases and other debt (28) (316)
Proceeds from loss payable 9,768 71,928 Proceeds from Issuance of convertible notes and warrants Proceeds from issuance of stock options 460 1,351 Proceeds from issuance of common stock - 30,000 Deterred common stock Issuance cost (Panasonic) (42) Proceeds from IPO and private placement - 236,842 Principal payments on capital leases and other debt (28) - (366)
Proceeds from loss payable 9,768 71,928 Proceeds from Issuance of convertible notes and warrants Proceeds from issuance of stock options 460 1,351 Proceeds from issuance of common stock - 30,000 Deterred common stock Issuance cost (Panasonic) (42) Proceeds from IPO and private placement - 236,842 Principal payments on capital leases and other debt (28) - (366)
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Proceeds from exercise of slock options 460 1,351 Proceeds from issuance of common slock - 30,000 Deteried common slock Savance cost (Panasonic) (42) Proceeds from IPO and private placement - 238,842 Principal payments on capital leases and other debt (28) (315)
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Detented common stock issuance cost (Panasonio) (42)
Proceeds from IPO and private placement - 238,842 Principal payments on capital leases and other debt (28) (3(6)
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Issuance costs - (3,693)
Nel cash provided by financing activities 9,200 9,200 337,971
Thrcrease (decrease) in cash and cash equivalents (5,000). — 29,031
Gash and cash equivalents; beginning of period \$\frac{1}{2}\$ \$\frac{1}{2}\$\$ \$\fra
Cash and cash equivalents, end of period. \$ 99,558 \$ 99,558
A STATE OF THE STA
Non cash activities
Warrants issued to DOE \$ 6,293
Conversion of preferred stock 319,225

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of December 31, 2010	\$235,836,000		
Total current liabilities as of December 31, 2010	\$54,420,000		Covenant
Current ratio as of December 31, 2010	4.33	>	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)			Covenant
Cash balance as of December 31, 2010	\$99,558,000		Requirement \$15,000,000
Total Cash Balance	\$99,558,000	>	\$2,006,319 Interest Expense Annualized \$17,006,319

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Sent:

Zachary Kirkhorn (b) (6)
Friday, February 18, 2011 5:20 PM
Mates, Michael

To:

Cc:

Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer

Subject:

Tesla Motors Financial Statements for Q4 2010

Attachments:

Tesla - DOE Quarterly Compliance Certificate Q4 2010 (110218).pdf

Mike,

Attached please find the Tesla Motors financial statements for Q4 2010 and the accompanying compliance certificate.

Thanks, Zach

Zach Kirkhorn | Operations Finance | (b) (6) 3500 Deer Creek Rd., Palo Alto, CA 94304 | tel (b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 1, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen;

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of January 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(f)

Tesla Motors, Inc. Consolidated Balance Sheet As of January 31, 2011 (In thousands)

Current Assets Cash and cash equivalents Cash and cash equivalents Cash and cash equivalents Restricted cash Accounts receivable, net Inventory Prepald expenses and other current assets Total current assets Total current assets Coparating lease vehicles, net Property and equipment, net Restricted cash Cother assets Capital flabilities Accounts payable Account labilities Capital lease obligations, current portion Refundable reservation payments Total current liabilities Capital lease obligations, less current portion Capital less obligations de la capital less cotherent portion Capital less obligations de la ca		uand)
Cash and cash equivalents Restricted cash 73,597 Accounts receivable, net 10,755 Inventory 47,440 Propaid expenses and other current assets 11,496 Total current assets 209,344 Operating lease vehicles, net 122,198 Restricted cash 4,674 Other assets 22,855 Total assets 22,855 Total assets 367,232 Liabilities and Stockholders' Equity (Deficit) Current Liabilities Accounts payable \$ 27,747 Accounts payable \$ 27,747 Accounts payable \$ 14,839 Disterred revenue A 316 Capital lease obligations, current portion 271 Refundable reservation payments 33,622 Total current liabilities 80,795 Common stock warrant liability 6,088 Capital lease obligations, less current portion 479 Long-term debt 71,828 Deferred revenue, less current portion 2,884 Other long term liabilities 174,601 Stockholders' equity (deficit) 95 Common stock account polition 2,884 Other long term liabilities 174,601 Stockholders' equity (deficit) 95 Common stock 92,434 Account labilities 95 Additional paid in capital 622,434 Account labilities (429,688)	Assets	(Unaudited)
Restricted cash 73,597 Accounts receivable, net 10,159 Inventory 47,440 Propatd exponses and other current assets 11,496 Total current assets 209,344 Operating lease vehicles, net 8,161 Property and equipment, net 122,198 Restricted cash 6,674 Other assets 22,855 Total assets \$367,232 Liabilities and Stockholders' Equity (Deficit) Current Liabilities 4,839 Deferred revenue 4,836 Capital lease obligations, current portion 271 Refundable reservation payments 33,622 Total current liabilities 80,795 Common stock warrant liability 6,088 Capital lease obligations, less current portion 479 Long-term debt 71,838 Deferred revenue, less current portion 2,884 Other long-term liabilities 12,884 Other long-term liabilities 174,601 Stockholders' equity (deficit) 62,434 Accumulated deficit (429,888)	Current Assets	
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Prepaid exponses and other current assets Total current assets 209,344 Operating lease vehicles, net Property and equipment, net Bestricted cash Other assets 22,855 Total assets 22,855 Total assets \$367,232 Liabilities and Stockholders' Equity (Deficit) Current Liabilities Accounts payable Accounts payable Account liabilities 14,839 Deterred revenue Capital lease obligations, current portion Refundable reservation payments 33,622 Total current liabilities 80,795 Common stock warrant liability Capital lease obligations, less current portion 479 Long-term debt Deferred revenue, less current portion 2,884 Other long-term liabilities 171,828 Deferred revenue, less current portion 2,884 Other long-term liabilities 174,601 Stockholders' equity (deficit) Common stock 495 Additional paid in capital 622,434 Account late of the current liabilities Total stockholders' equity (deficit) Total stockholders' equity (deficit) 192,631	Accounts receivable, net	
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Current Liabilities Accounts payable \$27.747. Account payable \$14,839 Deterred revenue \$4,316 Capital lease obligations, current portion \$271 Refundable reservation payments \$33,622 Total current liabilities \$80,795 Common stock warrant liability \$6,088 Capital lease obligations, less current portion \$479 Long-term debt \$71,828 Deterred revenue, less current portion \$2,884 Other-long-term liabilities \$12,527 Total liabilities \$174,601 Stockholders' equity (deficit) \$95 Additional paid in capital \$622,434 Accumulated deficit \$(429,698)	Liebania and Circuit Alamai Englishing (D-11-11)	
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Capital loase obligations, current portion 271 Refundable reservation payments 33,622 Total current liabilities 80,795 Common slock warrant liability 6,088 Capital lease obligations, less current portion 479 Long-term debt 71,828 Deferred revenue, less current portion 2,884 Other long-term liabilities 12,527 Total liabilities 174,601 Stockholders' equity (deficit) — Common slock 95 Additional paid in capital 622,434 Accumulated deficit (429,698)		
Refundable reservation payments 33,622 Total current liabilities 80,795 Common stock warrant liability 6,068 Capital lease obligations, less current portion 479 Long-term debt 71,828 Deferred revenue, less current portion 2,884 Other long-term liabilities 12,527 Total liabilities 174,601 Stockholders' equity (deficit) Common stock 95 Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631		
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Capital lease obligations, less current portion 479 Long-term debt 71,828 Deferred revenue, less current portion 2,884 Other long-term liabilities 12,527 Total liabilities 174,601 Stockholders' equity (deficit) 95 Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631	i otat can ent naominas	00,799
Capital lease obligations, less current portion 479 Long-term debt 71,828 Deferred revenue, less current portion 2,884 Other long-term liabilities 12,527 Total liabilities 174,601 Stockholders' equity (deficit) 95 Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631	Comman Block Welcant liability	6 088
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Deferred revenue, less current portion 2,884 Other long term liabilities 12,527 Total liabilities 174,601 Stockholders' equity (deficit) 95 Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631		
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Total liabilities 174,601 Stockholders' equity (deficit) Common stock 95 Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631		
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Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631	-	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Additional paid in capital 622,434 Accumulated deficit (429,698) Total stockholders' equity (deficit) 192,631	Stockholders' equity (deficit)	
Accumulated deficit (429,698). Total stockholders' equity (deficit) 192,631	Common slock	95
Total stockholders' equity (delicit)	Additional paid in capital	622,434
4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Accumulated delicit	(429,898)
4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Total Habilities and stockholders' earlily (delicit).	Total stockholders' equity (deficit)	192,631
Total tiabilities and stockholders' equity (delicit)		
3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 -	Total liabilities and stockholders' equity (delicit)	\$ 367,232

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein,

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and One Month ended January 31, 2011 (In thousands)

	Unaudited)	Yaro 2015 (Unaudited)
Révenue Automotive sales	6.564	\$ 6,564
Development services	55 (12 39 4)	394
Total revenues	6,958	6,958
Cost of revenues Automotive	5,258	5,258
Development services	=650	650
Total cost of revenues	5,908	-5,908
Gross-prolit	1,050	1,050
Operating expenses Research & development	9,578	9,578
Selling, general and administrative	6,366	6,366
Total operating expenses	15,944	15,944
Operating loss	(14,894)	(14,894)
Interest Income Interest expense Other Income (expense)	(2)	18 (2) (34)
Pre-lax loss	(14,917)	(14,917)
1ex		
Net loss	\$(14,917)	\$ (14,9 <u>17)</u>

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc. Consolidated Statement of Cash Flows For the Month and One Month ended January 31, 2011 (In thousands)

(iii iiiousaiius)	San Marie			On President
	10000	Jareti		2011
		(Unaudited)	(Unau	idited)
Cash flows from Operating activities	_		_	
Net loss	. .\$	(14,917)	\$	(14,917)
Adjustments to reconcile net loss to net cash			77	
used in provided by operating activities:	SILLOT NO LE			-
Depreciation and emortization		933 E		933
Change in fair value of preferred stock warrant liability	orana balanca		miliani grani seker	* เราแบบการเล่าสำนัก
Stock based compensation Loss on abandoment of fixed assets	ALM MEE	The state of the s		N Spirit and
Loss on adaptionment of fixed assets Inventory writedowns			SECTION CONTRACTOR	201500000000000000000000000000000000000
Changes in operating assets and liabilities:	was ne		wet in the	. W. Santa P. C. (4
Accounts receivable	910V-2006	(3,449)		(3,449)
Inventory		(5,054)	Partie North	(5,054)
Prepaid expenses and other current assets	444-564	(1,113)		(1,113)
Operating lease vehicles	+======================================	(294)		(294)
Other assets	48 4 S 7 S	(126)		(125)
Accounts payable		(4,061)	in Walling all	(4,061)
Accrued liabilities		(3,949)		(3,949)
Other long term liabilities		253	ten add Pile draws.	253
Deferred development compensation	J-475-72		######################################	
Delerred revenue	ar unitar	(217)	CONTRACT TOTAL	(217)
Refundable reservation payments	177	2.867	Scholor with 1886 Williams Colored	2.867
Net cash used in operating activities		(29,126)		(29,126)
Cash flows from investing activities				
Purchases of property and equipment, excluding capital leases		(4,448)		(4,448)
Increase (decrease) in restricted cash deposits		192		192
Net cash used in investing activities		(4,256)	-7.700 7-10 11.20	(4,256)
Cash flows from Financing activities	varior to 1 × 40	a name no totto pour la compania de	version and entered	v
Proceeds from notes payable				
Proceeds from issuance of convertible notes and warrants		en e	Saturd the entire out Ou	2115-15-15-15-12-14
Proceeds from exercise of stock options		500		500
Proceeds from issuance of common stock		- 	en ar u installation	monates en vena 1994
Principal payments on capital leases and other debt	Arma Ardin	(24)		(24)
Net cash provided by financing activities		476		476
increase (decrease) in cash and cash equivalents		(32,906)		(32,906)
# 1000	20.5%.2:		epen tindet	<u>1</u> .7555
Cash and cash equivalents, beginning of period		99,658		99,558
Oash and cash equivalents; end of period		66,652	\$	- 66,652

Non cash activities

The Company believes in good (aith that the unaudited linancial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of January 31, 2011	\$209,344,000	
Total current liabilities as of January 31, 2011	\$47,173,000	Covenant
Current ratio as of January 31, 2011	4.44 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Comment
Cash balance as of January 31, 2011	\$66,652,000	Covenant Requirement \$15,000,000
Total Pro Forma Cash Balance	\$66,652,000 >	\$2,005,230 Interest Expense Annualized \$17,005,230

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2,	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration:	\$ 0 MM
Investment Amount:	\$ 0 MM
Cash Investment Amount:	\$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 1, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of January 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

date first written above.

TESLA MOTORS, INC.

By:

Name: Deepak Ahuja

Title: CFO

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(l)

Tesla Motors, Inc. Consolidated Balance Sheet As of January 31, 2011 (In Ihousands)

	Janaii
Assets	(Unaudited)
Cuirent Assets	
Cash and cash equivalents	66,852
Restricted cash	73,597
Accounts receivable, net	10,159
Inventory	47,440
Prepaid expenses and other current assets	11,496
Total current assets	209,344
Operating lease vehicles, net	8,161
Property and equipment, net	122,198
Restricted cash	4,674
Other assets	22,855
Total assets	\$ 367,232
Liabilities and Stockholders' Equity (Deficit)	
Current Liabilities	
Accounts payable	\$ 27,747
Accrued liabilities	14,839
Delerred revenue	- A,316
Capital lease obligations, current portion	271
Refundable reservation payments	33,622
Total current liabilities	80,795
Common slock warrant liability	6,088
Capital lease obligations, less current portion	479
Long-term deb)	71,828
Deferred revenue, less current portion	2,884
Other long-term liabilities ====================================	12,527
Total tiabilities	174,601
Maria de la compansión de	
Stockholders' equity (deticit)	1975 - Taran San San San San San San San San San S
- Gommon slock	95
Additional paid in capital	622,434
Accumulated deficit	(429,898)
	in the control of the said of the said of
Total stockholders' equity (delicit)	192,631
Total liabilities and stockholders' equity (delicit)	0.0000000000000000000000000000000000000
i oral itanilitas alin statuturasis sidili (delinit	\$ 367,232

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc Consolidated Statements of Operations For the Month and One Month ended January 31, 2011 (In thousands)

	(Unaudited)	Vsru-2016((Unaudited)
Revenue Automotive sales	\$ 6,564	6,564
Development services		394
Tolal revenues	6,958	6 958
Cost of revenues Automotive	5,258	5.258
Development services	650	650
Total cost of revenues.	5 ; 908.	5,908
Gross profit	1,050	1,050
Operating expenses Research & development	9,578	9,578
Selling, general and administrative	6,366	6,366
Total operating expenses	15,944	= 15,944
Operating loss	(14,894)	(17,894)
Interest income interest expense (Other Income (expense)	(2) (34)	[13.] (2) (34.]
Pre-lax-loss	(14,917)	(14,917)
Tax		
Net loss	\$ (14,917)	\$=(14,937)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(l)

Testa Motors, Inc. Consolidated Statement of Cash Flows For the Month and One Month ended January 31, 2011 (in thousands)

	Janviii	AVATDIZO H
	(Unaudited)	(Unaudited)
Cash flows from Operating activities	(orangas)	(01100-1,00)
Net loss	\$ (14.917) \$	(14.917)
Adjustments to reconcile net loss to net cash		
used in provided by operating activities:	emerical de la faction de la f	-
Depreciation and amortization	933-	933
Change in fair value of preferred stock warrant liability		entrotoporto or elektrista el villa
Slock based compensation		
Loss on abandonment of fixed assets	ATT TO THE STATE OF THE STATE O	+
Inventory writedowns		
Changes in operating assets and liabilities:		
Accounts receivable	(3,449)	(3,449)
Inventory	(5,054)	(5,054)
Prepaid expenses and other current assets	(1,113)	(1,713)
Operating lease vehicles	(294)	(294)
Other assets —	(125)	(125)
Accounts payable	(4,061)	(4,061)
Accrued liabilities	(3,949)	(3,949)
Other long term liabilities	253	253
Deferred development compensation		
Deferred revenue	(217)	(217)
Refundable reservation payments	2,867	2,867
Net cash used in operating activities	(29,126)	(29, 126)
Cash flows from Investing activities	 	and the state of t
Purchases of properly and equipment, excluding capital leases	(4,448)	(4,448)
Increase (decrease) in restricted cash deposits	192	192
Net cash used in investing activities	(4,256)	(4,256)
distribution of the second of		
Cash flows from Financing activities	entario antige de jaro per en general de la composito	DEDOGRAMONE POPULAR DE ARRESTA DE
Proceeds from notes payable		
Proceeds from Issuance of convertible notes and warrants	- Garantes esta esta esta esta esta esta esta e	i Signatur saman
Proceeds from exercise of stock options	500	500
Proceeds from issuance of common stock		man alla este describit de la companya de la compa
Principal payments on capital leases and other debt	(24)	(24) 476
Net cash provided by linancing activities	476	4/6
Increase (decrease) in cash and cash equivalents	(32,906)	(32,906)
Gastrand cash equivalents, beginning of period	99,658	- 99,558
Cash and cash equivalents; end of period	66,652\$	66,652

Non cash activities

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of January 31, 2011	\$209,344,000			
Total current liabilities as of January 31, 2011	\$47,173,000		Covenant	
Current ratio as of January 31, 2011	4.44	>	Requirement 1.40	
In accordance to Annex 9.1 (c) (ii)			Covenant	
Cash balance as of January 31, 2011	\$66,652,000		Requirement. \$15,000,000	
Total Pro Forma Cash Balance	\$66,652,000	>	\$2,005,230 Interest Expense Annualized \$17,005,230	J

Exhibit 8,1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2,	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 30, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of February 28, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

l'esla Motors, Inc.	
Maria	
Ву:	
Name: <u>Deepak Ahuja</u>	
l'itle: CFO	

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the

date first written above.

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of February 28, 2011 (In thousands)

Assets	(Unaudited)
Current Assets	
Gash and cash equivalents	83,480
Restricted cash	58,012
Accounts receivable, net	11,625
Inventory	48,174
Prepaid expenses and other current assets	9,326
Total current assets	210,617
Operating lease vehicles, net	8,262
Property and equipment, net	123,863
Restricted cash	=======================================
Other assets	22,855
Total assets	\$ 370,451
Liabilities and Stockholders' Equity (Delicit)	
Current Liabilities	
Accounts payable	\$===29,149
Accrued liabilities	13,632
Deletted revenue	0.995
Capital lease obligations, current portion	261
Refundable reservation payments	36,604
Total current liabilities	83,641
Common stock warrant liability	6,088
Capital lease obligations, less current portion	463 87,415
Long lemi debi	2,953
Deferred revenue, less current portion Other,long termitabilities	2,955
Total liabilities	193,338
total naphices	133,030
Stockholders' equity (deficit)	
Common stock	
Additional paid in capital	624,605
Accumulated delicit	(447,587)
	er-resident - Lit betate begin bedate filmfilled i
Total stockholders! equity (deficit)	177 113 4
- Size (1) Size and 1970 (10 to 10 grass) and Links are 1944 for a stress stress of the Marie and Sight, 1990 (1971) (1970)	
Total liabilities and slockholders' equity (deficit)	\$ 370,451
$\mathbf{x}_{i} = \mathbf{x}_{i} + \mathbf{x}_{i} $	·

The Company believes in good fallh that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(l)

Tesla Motors, inc Consolidated Statements of Operations For the Month and two Months ended February 28, 2011 (In thousands)

	Feb-11	YTD/2011
	(Unaudited)	(Unaudited)
Revenue Automotive sales	5 7 1786	\$ 3502
Development services	2,053	2,447.
Total tevenues:	13,839	20,797
Cost of revenues	7	AND PROCESSOR STATE OF THE PROCESSOR OF
Automotive	9,765	15,024
Gevelopment services	1,754	2,404
Totalicosi of revenues	1/(519	17,428
Gross:prollt:	2,320	3,369
Operating expenses		
Research & developmen)	12.439	22,016
Selling, general and administrative	7,140	13,507
Total operating expenses	19,579_	35,523
Operating loss	(17,259)	- (32,154)
Interest income	13 (347)	26.7
Interest expense Other inchife (expense)	(75)	(349) (108)j
Preglax loss	(17,668)	(32,585)
Jak		21
Net loss	\$ (17,689)	\$ (32,606)

The Company believes in good faith that the unaudited financial statements herein fairly present the linancial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month and two Months ended February 28, 2011 (in thousands)

(·····		Febrii -	YTD 2011		
		(Unaudited)	(Unaudited)		
Cash flows from Operating activities				-	
Net loss	\$	(17,689)	\$	(32,606)	
Adjustments to reconcile net loss to net cash		2,412,42			
used in provided by operating activities:					
Depreciation and amortization		- 1-150		2,183	
Change in fair value of warrant liability					
Stock based compensation					
Loss on abandonment of fixed assets	none entire in the			- 	
Inventory writedowns					
Changes in operating assets and liabilities:	en santano	and the self-state of the second terror and the Self-state of the	en kan kansara	· · · · · · · · · · · · · · · · · · ·	
Accounts receivable	No.	(1,466)		(4,915)	
Inventory	ور و بدر تعمیدی	(735)		(5,788)	
Prepaid expenses and other current assets	40.00	2,930		1,818	
Operating lease vehicles	and the second second	(200)	taren seperanata	(495)	
Olher assets				(325)	
Accounts payable	711	5,167	- constitution had	1,105	
Accided habilities		(1,966)		(5,915)	
Other long lerm liabilities		251		505	
Defoned revenue 17	T. 757	(253)		(470)	
Refundable reservation payments		2,982		5,849	
Net cash used in operating activities		(9,825)		(38,854)	
Cash flows from investing activities					
Purchases of properly and equipment, excluding capital leases		(6.483)		(11:028)	
increase (decrease) in restricted cash deposits	Maria de la Constitución de la C	15,405	SERGISSE	15,597	
Net cash used in livesting activities	7.774	8 922	19.0	4,569	
		STREET, THE PARTY BATTLES	(B) B A C B B C B C B C B C B C B C B C B C	ACCORDING MANAGEMENT (MANAGEMENT)	
Cash flows from Financing activities					
Procects from ricles payable				15,586	
Proceeds from issuance of common stock	- GIOSTON	2,172	2017 SWA	2,672	
Principal payments on capital leases and other debt		(27)		(51)	
Net cash provided by financing activities	10.000	17,731		18,207	
	_				
: Inorease (decrease) in cash and cash equivalents				三河(16,078)	
Cashiand cash equivalents beginning of period	ing it	66,652		99,558,	
Gash, and wash equivalents, end of period	-6-	83,480	18 (S)	83,480	
and the second s					

Non cash activities

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of February 28, 2011	\$210,617,000		
Total current liabilities as of February 28, 2011	\$47,037,000		Covenant
Current ratio as of February 28, 2011	4.48	>	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)			0
Cash balance as of February 28, 2011	\$83,480,000		Covenant Requirement \$15,000,000
Total Pro Forma Cash Balance	\$83,480,000	>	\$2,864,774 Interest Expense Annualized \$17,864,774

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as <u>Exhibit 8.1(d)(i)</u> :	\$ 164 MM
. 2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 30, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(c) of the Arrangement Agreement, the borrower hereby supplies:
 - o Exhibit 8.1(c)(i): Audited consolidated Financial Statements for 2010
 - o Exhibit 8.1(c)(ii): Unaudited Consolidating Financial Statements for 2010
 - o Exhibit 8.1(c)(iv): Audit Report from PwC
 - o Exhibit 8.1(c)(v): Management Representation Letter
 - Exhibit 8.1(c)(vi): No Default Letter from PwC
- 2. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(c)(ii) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the Fiscal Year ended as of December 31, 2010 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not

comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;

- 3. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 4. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 5. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

1 ESLA MOTORS, INC.		•	
By:			
Name: Deepak Ahuja			
Title: CFO	···		
			•••

EXHIBITS

Exhibit 8.1(c)(i)	Audited consolidated Financial Statements for 2010
Exhibit 8.1(c)(ii)	Unaudited Consolidating Financial Statements for 2010
Exhibit 8.1(c)(iv)	Audit Report from PwC
Exhibit 8.1(c)(v)	Management Representation Letter
Exhibit 8.1(c)(vi)	No Default Letter from PwC
Exhibit 8.1(d)(iii)	Financial Covenants
Exhibit 8.1(d)(iv)	Excess Equity Proceeds Amount

Exhibit 8.1(c)(i)

Audited consolidated Financial Statements for 2010

Tesla Motors, Inc.

Consolidated Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Tesla Motors, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of convertible preferred stock and stockholders' equity (deficit) and of cash flows present fairly, in all material respects, the financial position of Tesla Motors, Inc. and its subsidiaries at December 31, 2010 and December 31, 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

San Jose, California March 2, 2011

Tesla Motors, Inc.

Consolidated Balance Sheets (in thousands, except share and per share data)

	De	December 31, 2010		cember 31, 2009	
Assets					
Current assets					
Cash and cash equivalents	\$	99,558	\$	69,627	
Restricted cash		73,597	•		
Accounts receivable		6,710		3,488	
Inventory		45,182		23,222	
Prepaid expenses and other current assets.		10.839		4,222	
Total current assets		235.886		100,559	
Operating lease vehicles, net		7,963		100,000	
Property, plant and equipment, net		114,636		23,535	
		4,867		3,580	
Restricted cash		-		2,750	
Other assets	\$	22,730	\$		
Total assets	<u>.a</u>	386,082	4	130,424	
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)					
Current liabilities	ė	20.051	•	15.000	
Accounts payable	\$	28,951	\$	15,086	
Accrued liabilities		20,945		14,532	
Deferred development compensation				156	
Deferred revenue		4,635		1,377	
Capital lease obligations, current portion		279		290	
Reservation payments		30,755		26,048	
Total current liabilities		85,565		57,489	
Common stock warrant liability		6,088			
Convertible preferred stock warrant liability				1,734	
Capital lease obligations, less current portion		496		800	
Deferred revenue, less current portion		2,783		1,240	
Long-term debt		71,828			
Other long-term liabilities		12,274		3,459	
Total liabilities		179.034		64,722	
Commitments and contingencies (Note 14)			-		
Convertible preferred stock; \$0.001 par value; 221,903,982 shares authorized					
Series A convertible preferred stock; 0 and 7,213,000 shares issued and outstanding as of					
December 31, 2010 and 2009, respectively (Liquidation value: \$3,556)				3,549	
Series B convertible preferred stock; 0 and 17,459,456 shares issued and outstanding as of				را دود	
December 31, 2010 and 2009, respectively (Liquidation value: \$12,920)				12,899	
Series C convertible preferred stock; 0 and 35,242,290 shares issued and outstanding as of				12,077	
				39,789	
December 31, 2010 and 2009, respectively (Liquidation value: \$40,000)		—		39,169	
Scries D convertible preferred stock; 0 and 18,440,449 shares issued and outstanding as of				44.041	
December 31, 2010 and 2009, respectively (Liquidation value: \$45,000)				44,941	
Series E convertible preferred stock; 0 and 102,776,779 shares issued and outstanding as of				125 ((0	
December 31, 2010 and 2009, respectively (Liquidation value: \$258,175)				135,669	
Series F convertible preferred stock; 0 and 27,785,263 shares issued and outstanding as of				00.053	
December 31, 2010 and 2009, respectively (Liquidation value: \$82,500)				82,378	
Total convertible preferred stock				319,225	
Stockholders' equity (deficit)					
Common stock; \$0.001 par value; 2,000,000,000 and 106,666,667 shares authorized as of					
December 31, 2010 and 2009, respectively; 94,908,370 and 7,284,200 shares issued and					
outstanding as of December 31, 2010 and 2009, respectively,		95		7	
Additional paid-in capital		621,935		7,124	
Accumulated deficit		(414,982)		(260,654)	
Total stockholders' equity (deficit)		207,048		(253,523)	
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	\$	386,082	\$	130,424	

Tesla Motors, Inc.

Consolidated Statements of Operations (in thousands, except share and per share data)

	Year Ended December 31,				
	2010 2009		2008		
Revenues Automotive sales	\$ 97,078	\$ 111,943	\$ 14,742		
Development services					
Total revenues	116,744	111,943	14,742		
Cost of revenues					
Automotive sales	79,982	102,408	15,883		
Development services			15.002		
Total cost of revenues	86,013	102,408	15,883		
Gross profit (loss)	30,731	9,535	(1,141)		
Operating expenses					
Research and development (net of development compensation of	00.007	10.000	50 at 4		
\$23,249 for the year ended December 31, 2009) (Note 2)	92,996	19,282	53,714		
Selling, general and administrative		42,150	23,649		
Total operating expenses		61,432	77,363		
Loss from operations		(51,897)	(78,504)		
Interest income	258	159	529		
Interest expense	(992)	(2,531)	(3,747)		
Other expense, net	(6,583)	(1,445)	(963)		
Loss before income taxes	(154,155)	(55,714)	(82,685)		
Provision for income taxes	<u>173</u>	26	97		
Net loss		\$ (55,740)	\$ (82,782)		
Net loss per share of common stock, basic and diluted	\$ (3.04)	<u>\$ (7.94)</u>	<u>\$ (12.46)</u>		
Weighted average shares used in computing net loss per share of	E0 710 200	7.021.072	((4())) 7		
common stock, basic and diluted	20,718,302	<u>7,021,963</u>	<u>6,646,387</u>		

Tesla Motors, Inc.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)
(in thousands, except share and per share data)

	Convertible Pro		Common Stock		Additional Paid-In	Accumulated	Total Stockholders' Equity	
	Shares	Amount	Shares	Amo	unt	Capital	Deficit	(Deficit)
Balance as of December 31, 2007 Issuance of common stock	78,355,195	\$ 101,178	6,325,229	\$	6	\$ 4,280	\$ (122,132)	\$ (117,846)
upon exercise of stock options, net of repurchases Issuance of common stock to	_	_	675,202		1	455	_	456
consultant	=	_ 	10,000		0 —	21 437		21 437
Balance as of December 31,							(02,(02)	
2008	78,355,195	101,178	7,010,431		7	5,193	(204,914)	(199,714)
conversion of note payable) at \$2.51 per share, net of issuance cost of \$556	102,776,779	135,669	_		-		. –	
convertible preferred stock in August 2009 at \$2.97 per share, net of issuance cost of								.
\$122 Issuance of common stock upon exercise of stock	27,785,263	82,378	_			_	_	-
options, net of repurchases Stock-based compensation	-	<u> </u>	273,769 —		0	497 1,434		497 1,434
Net loss	·						(55,740)	(55,740)
Balance as of December 31, 2009	208,917,237	319,225	7,284,200		7	7,124	(260,654)	(253,523)
Issuance of common stock in July 2010 initial public offering at \$17.00 per share, net of issuance costs of \$17,497			11 የማለ ፈлብ		12	194 461		194 472
Issuance of common stock in July 2010 concurrent private	_		11,880,600		12	184,461	_	184,473
placement at \$17.00 per share Issuance of common stock in November 2010 private		_	2,941,176		3	49,997	_	50,000
placement at \$21.15 per share, net of issuance costs of \$42	_	_	1,418,573		1	29,957	-	29,958
Conversion of preferred stock into shares of common stock Issuance of common stock	(208,917,237)	(319,225)	70,226,844	*	70	319,155		319,225
upon net exercise of warrants Issuance of common stock upon exercise of stock	_	<u> </u>	445,047		1	8,662	_	8,663
options, net of repurchases Tax benefits from employee	_		711,930		1	1,349	· · · · · · · · · · · · · · · · · · ·	1,350
equity awards		,				74		74
Stock-based compensation Net loss			***************************************		_ 	21,156	(154,328)	21,156 (154,328)
Balance as of December 31,								
2010		<u> </u>	94,908,370	\$	<u>95</u>	<u>\$ 621.935</u>	<u>\$ (414,982)</u>	<u>\$ 207.048</u>

Tesla Motors, Inc.

Consolidated Statements of Cash Flows (in thousands)

	Yes	ar Ended Decembe	er 31,
	2010	2009	2008
Cash flows from operating activities Net loss	\$ (154,328)	\$ (55,740)	\$ (82,782)
Adjustments to reconcile net loss to net cash used in operating activities:	4 (15,3550)	(,,,	4 (32, 92)
Depreciation and amortization	10,623	6,940	4,157
Change in fair value of warrant liabilities	5,022	1,128	2,800
Gain on extinguishment of convertible notes and warrants		(1,468)	(1,245)
Stock-based compensation.	21,156	1,434	437
Excess tax benefits from stock-based compensation	(74) 8	385	
Inventory write-downs	951	1,353	4,297
Interest on convertible notes		2,686	3,692
Changes in operating assets and liabilities		-,	-,
Accounts receivable.	(3,222)	(168)	(3,261)
Inventory	(20,115)	(7,925)	(18,839)
Prepaid expenses and other current assets	(4,977)	(2,042)	750
Operating lease assets	(8,398)	-	
Other assets	(463)	(445)	12
Accounts payable	(212)	902	8,815
Accrued liabilities.	13,345	3,387	2,633 10,173
Deferred development compensation	(156) 4,801	(10,017) (1,456)	4,073
Reservation payments	4,707	(21,971)	10,684
Other long-term liabilities,		2,192	1,192
Net cash used in operating activities		(80,825)	(52,412)
Cash flows from investing activities			
Payments related to acquisition of Fremont manufacturing facility and related			
assets	(65,210)	_	-
Purchases of property and equipment excluding capital leases	(40,203)	(11,884)	(10,630)
Transfer of restricted cash into our dedicated Department of Energy account	(100,000)	-	
Withdrawals out of our dedicated Department of Energy account	26,403	(0.7(0)	
Increase in other restricted cash		(2,360)	(960)
Net cash used in investing activities.	(180,297)	(14,244)	(11,590)
Cash flows from financing activities Proceeds from issuance of common stock in initial public offering	188,842		
Proceeds from issuance of common stock in Toyota private placement.	50,000		_
Proceeds from issuance of common stock in Panasonic private placement	30,000		_
Proceeds from issuance of Series F convertible preferred stock, net of issuance	,		
costs of \$122		82,378	_
Proceeds from issuance of Series E convertible preferred stock, net of issuance			
costs of \$556		49,444	
Principal payments on capital leases and other debt	(315)	(322)	(191)
Proceeds from long-term debt and other long-term liabilities	71,828	25 460	1,000
Proceeds from issuance of convertible notes and warrants	1,350	25,468 497	54,782 477
Proceeds from exercise of stock options Excess tax benefits from stock-based compensation	1,330 74	497	4//
Common stock and loan facility issuance costs.		(2,046)	
Net cash provided by financing activities		155,419	56,068
Net increase (decrease) in cash and cash equivalents	29,931	60,350	(7,934)
Cash and cash equivalents at beginning of period		9,277	ì7,211
Cash and cash equivalents at end of period		\$ 69,627	<u>\$ 9,277</u>
Supplemental Disclosures			
Interest paid.		\$ 70	\$ 41
Income taxes paid.	9	171	
Supplemental noncash investing and financing activities	210 226		
Conversion of preferred stock to common stock		_	****
Issuance of common stock upon net exercise of warrants		_	
Issuance of common stock warrant			
Conversion of notes payable to Series E convertible preferred stock		86,225	
Exchange of convertible notes payable		19,073	16,751
Exchange of accrued interest for convertible notes payable		1,791	1,328
Property and equipment acquired under capital lease		183	322

Tesla Motors, Inc.

Notes to Consolidated Financial Statements

1. Overview of the Company

Tesla Motors, Inc. (Tesla, we, us or our) was incorporated in the state of Delaware on July 1, 2003. We design, develop, manufacture and sell high-performance fully electric vehicles and advanced electric vehicle powertrain components.

Since inception, we have incurred significant losses and have used approximately \$330.6 million of cash in operations through December 31, 2010. As of December 31, 2010, we had approximately \$99.6 million in cash and cash equivalents. We are currently selling the Tesla Roadster automobile and are developing the Model S sedan. To the extent we do not meet our planned sales volumes or future product releases or our existing cash and cash equivalents balances are insufficient to fund our future activities, we will need to raise additional funds. We cannot be certain that additional financing, if and when needed, will be available at terms satisfactory to us, or at all. These consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

In January 2010, we entered into a loan agreement with the United States Federal Financing Bank and United States Department of Energy (DOE), pursuant to the Advanced Technology Vehicles Manufacturing Loan Program (ATVM), authorizing the commitment from the DOE to arrange loans for up to \$465.0 million. See Note 8 for additional details.

In May 2010, we effected a 1-for-3 reverse stock split of our outstanding common stock, and a proportional adjustment to the existing conversion ratios for each series of preferred stock was made at the time of the effectiveness of the reverse stock split. Accordingly, all share and per share amounts for all periods presented in these consolidated financial statements and notes thereto, have been adjusted retroactively, where applicable, to reflect this reverse stock split and adjustment of the preferred stock conversion ratio.

Initial Public Offering and Toyota Concurrent Private Placement

On June 28, 2010, our registration statement on Form S-1 relating to our initial public offering (IPO) was declared effective by the Securities and Exchange Commission (SEC) and our IPO closed on July 2, 2010, at which time we received cash proceeds of \$188.8 million from this transaction, net of underwriting discounts and commissions. Additionally, we incurred offering costs of \$4.4 million related to the IPO (see Note 9).

Concurrent with the closing of our IPO in July 2010, we closed a private placement transaction for the sale of our common stock to Toyota Motor Corporation (Toyota) pursuant to which we received proceeds of \$50.0 million from Toyota (see Note 9).

As a result of the IPO, our convertible preferred stock was automatically converted into common stock and our outstanding warrants, excluding the DOE warrant, were net exercised.

Unadjusted Error in 2009

In June 2010, we identified an error related to the understatement in stock-based compensation expense subsequent to the issuance of the consolidated financial statements for the year ended December 31, 2009.

In the fourth quarter of 2009, we granted certain stock options for which a portion of the grant was immediately vested. We erroneously accounted for the expense on a straight-line basis over the term of the award, while expense recognition should always be at least commensurate with the number of awards vesting during the period. As a result, selling, general and administrative expenses and net loss for the year ended December 31, 2009 were understated by \$2.7 million. The error did not have an effect on the valuation of the stock options. As stock-based compensation expense is a non-cash item, there was no impact on net cash used in operating activities for the year ended December 31, 2009.

To correct this error, we recorded additional stock-based compensation of \$2.4 million in the three months ended June 30, 2010. We considered the impact of the error on reported operating expenses and trends in operating results and determined that the impact of the error was not material to previously reported financial information as well as those related to the year ended December 31, 2010.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of Tesla and its wholly owned subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying values of our cash and cash equivalents, and deposits approximate their fair value due to their short-term nature. As a basis for determining the fair value of certain of our assets and liabilities, we established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows: (Level I) observable inputs such as quoted prices in active markets; (Level II) inputs other than the quoted prices in active markets that are observable either directly or indirectly; and (Level III) unobservable inputs in which there is little or no market data which requires us to develop our own assumptions. This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. Our financial assets that are measured at fair value on a recurring basis consist only of cash equivalents and current restricted cash. Our liabilities that are measured at fair value on a recurring basis consist of our common stock warrant liability, and previously, our convertible preferred stock warrant liability.

All of our cash equivalents and current restricted cash, which are comprised primarily of money market funds, are classified within Level I of the fair value hierarchy because they are valued using

quoted market prices or market prices for similar securities. We do not have any Level II instruments, or instruments valued based on other observable inputs. Our common stock warrant liability, and previously our convertible preferred stock warrant liability, is classified within Level III of the fair value hierarchy.

As of December 31, 2010 and 2009, the fair value hierarchy for our financial assets and financial liabilities that are carried at fair value was as follows (in thousands):

		December	r 31, 2010		December 31, 2009				
	Fair Value	Level 1	Level II	Level III	Fair Value	Level I	Level II	Level III	
Money market funds Common stock warrant liability Convertible preferred		<u>\$ 145,708</u>	<u> </u>	<u>\$6.088</u>	\$ 64,420	<u>\$ 64.420</u>	<u>\$</u>	<u>\$ —</u>	
stock warrant liability					1,734			1,734	

The changes in the fair value of the common stock and convertible preferred stock warrant liabilities were as follows (in thousands):

	2010	2009
Fair value, beginning of period	\$ 1,734	\$ 2,074
Issuances	6,294	-
Settlements and extinguishments	 (6,962)	(1,468)
Change in fair value	 5,022	 1,128
Fair value, end of period	\$ 6,088	\$ 1,734

The valuation of the common stock and convertible preferred stock warrants is discussed in Notes 6 and 7.

Revenue Recognition

We recognize revenues from sales of the Tesla Roadster, including vehicle options and accessories, vehicle service and sales of zero emission vehicle (ZEV) credits, and sales of electric vehicle powertrain components. We recognize revenue when: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred and there are no uncertainties regarding customer acceptance; (iii) fees are fixed or determinable; and (iv) collection is reasonably assured.

Automotive Sales

Automotive sales consisted of the following for the periods presented (in thousands):

	2010 2009			2008		
Vehicle, options and related sales	\$ 75,459	\$	111,555	\$	14,742	
Powertrain component and related sales	 21,619		388			
	\$ 97,078	\$	111,943	\$_	14,742	

Automotive sales consist primarily of revenue earned from the sales of the Tesla Roadster, vehicle service, and vehicle options, accessories and destination charges as well as sales of ZEV credits. Automotive sales also consist of revenue earned from the sales of electric vehicle powertrain components, such as battery packs and battery chargers, to other automotive manufacturers. Sales or other amounts collected in advance of meeting all of the revenue recognition criteria are not recognized in the consolidated statements of operations and are instead recorded as deferred revenue on the consolidated

balance sheets. Prior to February 2010, we did not provide direct financing for the purchase of the Tesla Roadster although a third-party lender has provided financing arrangements to our customers in the United States. Under these arrangements, we have been paid in full by the customer at the time of purchase.

In regards to the sale of Tesla Roadsters, revenue is generally recognized upon delivery of the vehicle. Concurrent with a purchase order for a Roadster that is manufactured to specification, customers must remit a reservation payment (see Note 5). For vehicles purchased directly from our showrooms, no deposit is required. Approximately three months prior to production of a Tesla Roadster manufactured to specification, the reservation payment becomes nonrefundable when the customer enters into a purchase agreement. In a limited number of circumstances, we may deliver a vehicle to a customer without all of the options ordered by the customer if the options do not limit the functionality of the vehicle. This may happen, for example, in an instance where the customer orders an additional hard top which is not ready at the time the vehicle is delivered. In such cases, we will continue to defer the related revenue based on the undelivered item's fair value, as evidenced by the contractual price of the option in stand-alone transactions.

While sales of vehicle options and accessories may take place separately from a vehicle sale, they are often part of one vehicle sales agreement resulting in multiple element arrangements. We are able to establish the fair value for each of the deliverables within the multiple element arrangements because we sell each of the vehicles, vehicle accessories and options separately, outside of any multiple element arrangements. As each of these items has stand alone value to the customer, revenue from sales of vehicle accessories and options are recognized when those specific items are delivered to the customer. We record revenue for destination charges billed to our customers. Revenue from destination charges totaled \$1.0 million, \$1.9 million and \$0.1 million for the years ended December 31, 2010, 2009 and 2008, respectively. The related costs are recorded in cost of automotive sales.

In February 2010, we began offering a leasing program to qualified customers in the United States for the Tesla Roadster. Through our wholly owned subsidiary, Tesla Motors Leasing, Inc., qualifying customers are permitted to lease the Tesla Roadster for 36 months, after which time they have the option of either returning the vehicle to us or purchasing it for a pre-determined residual value. We account for these leasing transactions as operating leases and accordingly, we recognize leasing revenues on a straight-line basis over the term of the individual leases and record cost of sales equal to the depreciation of the leased vehicles. As of December 31, 2010, we had deferred revenues of \$1.1 million of down payments which will be recognized over the term of the individual leases. Lease revenues are recorded in automotive sales and for the year ended December 31, 2010, we recognized \$0.8 million.

Zero Emission Vehicle Credit Sales

California and certain other states have laws in place requiring vehicle manufacturers to ensure that a portion of the vehicles delivered for sale in that state during each model year are zero emission vehicles. These laws provide that a manufacturer of zero emission vehicles may earn credits, referred to as ZEV credits, and may sell excess credits to other manufacturers who apply such credits to comply with these regulatory requirements. As a manufacturer solely of zero emission vehicles, we have earned ZEV credits on vehicles sold in such states, and we expect to continue to earn these credits in the future. Since our only commercial vehicle is electric, we do not receive any benefit from the generation of ZEV credits, and accordingly look to sell them to other vehicle manufacturers. In order to facilitate the sale of these credits, we enter into contractual agreements with third parties requiring them to purchase our ZEV credits at pre-determined prices. We recognize revenue on the sale of these credits at the time legal title to the credits is transferred to the purchasing party by the governmental agency issuing the credits.

Revenue from the sale of ZEV credits totaled \$2.8 million, \$8.2 million and \$3.5 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Extended Service and Battery Replacement Plans

We provide customers with the opportunity to purchase an extended warranty for the period after the end of our initial New Vehicle Limited Warranty to extend coverage for an additional three years or 36,000 miles, whichever comes first. We refer to this program as our Extended Service Plan. Amounts collected on these sales are initially recorded in deferred revenues on the consolidated balance sheets and recognized in automotive sales over the extended warranty period. Through December 31, 2010, we have deferred \$1.2 million related to the Extended Service Plan and have not yet recognized any related revenues.

Additionally, within three months of purchasing a vehicle, we provide customers with a one-time option to replace the battery packs in their vehicles at any time after the expiration of the New Vehicle Limited Warranty but before the tenth anniversary of the purchase date of their vehicles. We refer to this program as our Battery Replacement Plan. Amounts collected on these sales are initially recorded in deferred revenues on the consolidated balance sheets and recognized in automotive sales as we fulfill our obligation to replace the battery packs. Through December 31, 2010, we have deferred \$0.9 million related to the Battery Replacement Plan and have not yet recognized any related revenues.

Development Services Revenue

Revenue from development services arrangements consist of revenue earned from the development of electric vehicle powertrain components for other automobile manufacturers, including the design and development of battery packs and chargers to meet a customer's specifications. Beginning in the quarter ended March 31, 2010, we started entering into such contracts with the expectation that our development services would constitute a viable revenue-generating activity. Revenue is recognized as the performance requirements of each development arrangement are met and collection is reasonably assured. Where development arrangements include substantive at-risk milestones, revenue is recognized based upon the achievement of the contractually-defined milestones. Amounts collected in advance of meeting all of the revenue recognition criteria are not recognized in the consolidated statement of operations and are instead recorded as deferred revenue on the consolidated balance sheets. Costs of development services are expensed as incurred. Costs of development services incurred in periods prior to the finalization of an agreement are recorded as research and development expenses; once an agreement is finalized, these costs are recorded in cost of revenues.

Prior to 2010, compensation from the Smart fortwo development arrangement with Daimler AG (Daimler) (see Note 13), was recorded as an offset to research and development expenses. This early arrangement was motivated primarily by the opportunity to engage Daimler and at the same time, jointly progress our own research and development activities with the associated development compensation. All amounts received under the Smart fortwo agreement were recognized as an offset to research and development expenses, as we were performing development activities on behalf of Daimler, were being compensated for the cost of these activities and could not practicably separate the efforts or costs related to these activities from our own research and development.

Freestanding Stock Warrants

We accounted for freestanding warrants to purchase shares of our convertible preferred stock as liabilities on the consolidated balance sheets at fair value upon issuance. The convertible preferred stock warrants were recorded as a liability because the underlying shares of convertible preferred stock were

contingently redeemable which therefore, may have obligated us to transfer assets at some point in the future (see Note 7). The warrants were subject to re-measurement to fair value at each balance sheet date and any change in fair value was recognized in other expense, net, on the consolidated statements of operations. For our Series C and other Series E convertible preferred stock warrants, excluding the DOE warrant, we adjusted the liability for changes in fair value through the completion of our IPO on July 2, 2010. At that time, the convertible preferred stock warrants were net exercised and the related liability was reclassified to additional paid-in capital. For the Series E convertible preferred stock warrants issued to the DOE (see Note 8), we adjust the liability for changes in fair value until the earlier of vesting or expiration of the warrants. Upon the completion of our IPO, the DOE warrant converted into a warrant to purchase our common stock and the related liability will continue to be adjusted for changes in fair value until the earlier of vesting or expiration of the warrants. If the warrants are exercised, the warrant liability will be reclassified to common stock or additional paid-in capital, as applicable.

Cash and Cash Equivalents

All highly liquid investments with an original or remaining maturity of three months or less at the date of purchase are considered to be cash equivalents. We currently deposit excess cash primarily in money market funds.

Restricted Cash and Deposits

We maintain certain cash amounts restricted as to withdrawal or use. We maintained total restricted cash of approximately \$78.5 million and \$3.6 million as of December 31, 2010 and 2009, respectively. As of December 31, 2010, current restricted cash was comprised primarily of \$73.6 million of net proceeds from the IPO and the concurrent Toyota private placement that we were required to set aside to fund a separate, dedicated account as required under our DOE loan facility (see Note 8) partially offset by authorized transfers out of the dedicated account into our cash and cash equivalents during the year. Noncurrent restricted cash was comprised primarily of security held by a vendor as part of the vendor's standard credit policies, security deposits related to lease agreements and equipment financing, and certain refundable reservation payments segregated in accordance with state consumer protection regulations.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily include amounts related to sales of powertrain components and the performance of powertrain development services. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we provide an allowance against amounts receivable to reduce the net recognized receivable to the amount we reasonably believes will be collected. As of December 31, 2010 and 2009, we determined that no allowance for doubtful accounts was required. We typically do not carry accounts receivable related to our vehicle and related sales as customer payments are due prior to vehicle delivery.

Concentration of Risk

Financial instruments that potentially subject us to a concentration of credit risk consist of cash, cash equivalents and accounts receivable. Our cash and cash equivalents are primarily invested in money market funds with high credit quality financial institutions in the United States. At times, these deposits and securities may be in excess of insured limits. To date, we have not experienced any losses on our deposits of cash and cash equivalents. During the year ended December 31, 2010, our accounts receivable were derived primarily from sales of powertrain components and the performance of powertrain development services to Daimler and to Toyota (see Note 13). Accounts receivable balances

from Daimler and Toyota represented 51% and 42% as of December 31, 2010, and 82% and 0% as of December 31, 2009 of total accounts receivable, respectively. We perform credit evaluations of our customers' financial condition and, generally, require no collateral.

A number of components that meet our manufacturing requirements are available only from single source suppliers. For example, Lotus is the only manufacturer for certain components, such as the chassis of our Tesla Roadster. In other instances, although there may be multiple suppliers available, many of the components used in our vehicles are purchased by us from a single source. If these single source suppliers fail to satisfy our requirements on a timely basis at competitive prices, we could suffer manufacturing delays, a possible loss of revenues, or incur higher cost of sales, any of which could adversely affect our operating results.

Inventories and Inventory Valuation

Inventories are stated at the lower of cost or market. Cost is computed using standard cost, which approximates actual cost on a first-in, first-out basis. We record inventory write-downs based on reviews for excess and obsolescence determined primarily by future demand forecasts. We also adjust the carrying value of our inventories when we believe that the net realizable value is less than the carrying value. These write-downs are measured as the difference between the cost of the inventory, including estimated costs to complete, and estimated selling prices. Once inventory is written down, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Adverse Purchase Commitments

To the extent future inventory purchases under non-cancellable purchase orders are for excess or obsolete parts or the related inventory is deemed to be in excess of its net realizable value, we record a provision for adverse purchase commitments. Charges are recorded as a component of cost of sales. We did not record significant charges during the year ended December 31, 2010. During the year ended December 31, 2009, we recorded charges of \$0.4 million to cost of sales. During the year ended December 31, 2008, we recorded charges of \$1.0 million to research and development expenses and \$0.4 million to cost of sales.

Property, Plant and Equipment

Property, plant and equipment are recognized at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Computer equipment and software	3 years
Office furniture and equipment	3 to 7 years
Tooling	3 to 5 years

Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the term of the related lease. Upon retirement or sale, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reflected in operations. Maintenance and repair expenditures are expensed as incurred, while major improvements that increase functionality of the asset are capitalized and depreciated ratably to expense over the identified useful life. Land is not depreciated.

In October 2010, we completed the purchase of our Fremont, California facility and certain manufacturing assets and spare parts located thereon. As these assets are not yet ready for their intended

use, they are classified within construction in progress and the depreciation has not yet commenced (see Note 4).

Operating Lease Vehicles

Vehicles that are leased as part of our leasing program, are classified as operating lease vehicles. Operating lease vehicles are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the term of operating leases of three years. The total cost of operating lease vehicles recorded in the consolidated balance sheet as of December 31, 2010 was \$8.4 million. Accumulated depreciation related to leased vehicles was \$0.4 million as of December 31, 2010.

Intangible Assets

Intangible assets with finite useful lives are amortized over their estimated useful lives. As of December 31, 2010, intangible assets are comprised of emission credits (see Note 4).

Long-lived Assets

We evaluate our long-lived assets, including intangible assets, for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Impairment exists if the carrying amounts of such assets exceed the estimates of future net undiscounted cash flows expected to be generated by such assets. Should impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's estimated fair value. As of December 31, 2010, we have not recorded any impairment losses on our long-lived assets.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses consist primarily of payroll, benefits and stock-based compensation of those employees engaged in research, design and development activities, costs related to design tools, license expenses related to intellectual property, supplies and services, depreciation and other occupancy costs. Also included in research and development are development services costs incurred, if any, prior to the finalization of agreements with our development services customers as reaching a final agreement and revenue recognition is not assured. Development services costs incurred after the finalization of an agreement are recorded in cost of revenues.

Advertising and Promotion Costs

Advertising and sales promotion costs are expensed as incurred. During the years ended December 31, 2010, 2009 and 2008, advertising, promotion and related marketing expenses were \$3.1 million, \$1.7 million and \$0.7 million, respectively.

Income Taxes

Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

We record liabilities related to uncertain tax positions when, despite our belief that our tax return positions are supportable, we believe that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense.

Stock-based Compensation

We recognize compensation expense for costs related to all share-based payments, including stock options. The fair value of share-based payment awards are estimated on the grant date using an option pricing model. Stock-based compensation expense is recognized on a straight-line basis over the service period, net of estimated forfeitures.

We have elected to use the "with and without" approach in determining the order in which tax attributes are utilized. As a result, we will only recognize a tax benefit from stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to us have been utilized. In addition, we have elected to account for the indirect effects of stock-based awards on other tax attributes, such as the research tax credit, through our statement of operations.

We account for equity instruments issued to non-employees based on the fair value of the awards. The fair value of the awards granted to non-employees is re-measured as the awards vest and the resulting change in fair value, if any, is recognized in the consolidated statements of operations during the period the related services are rendered.

For performance-based awards, stock-based compensation expense is recognized over the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable.

Foreign Currency Remeasurement and Transactions

For each of our foreign subsidiaries, the functional currency is the U.S. Dollar. For these foreign subsidiaries, monetary assets and liabilities denominated in non-U.S. currencies are re-measured to U.S. Dollars using current exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities denominated in non-U.S. currencies are maintained at historical U.S. Dollar exchange rates. Revenues and expenses are re-measured at average U.S. Dollar monthly rates.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Transaction gains and losses are recognized in other expense, net in the consolidated statements of operations and have not been significant for any periods presented.

Comprehensive Loss

Comprehensive loss includes all changes in equity (net assets) during a period from non-owner sources. Through December 31, 2010, there are no components of comprehensive loss which are not included in net loss; therefore, a separate statement of comprehensive loss has not been presented. We do not have any foreign currency translation adjustments as a component of other comprehensive loss through December 31, 2010, as the functional currency of all our foreign subsidiaries is the U.S. Dollar.

Warranties

We began recording warranty reserves with the commencement of Tesla Roadster sales in 2008. Initially, Tesla Roadsters were sold with a warranty of four years or 50,000 miles. More recently, Tesla Roadsters have been sold with a warranty of three years or 36,000 miles. Accrued warranty activity consisted of the following for the periods presented (in thousands):

	2010	2009
Accrued warranty—beginning of period	\$ 3,757	\$ 858
Warranty costs incurred	(2,231)	(1,508)
Provision for warranty	 3,891	4,407
Accrued warranty—end of period	5,417	\$ 3,757

We provide a warranty on all vehicle and production powertrain component sales, and we accrue warranty reserves at the time a vehicle is delivered to a customer. Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact our evaluation of historical data. We review our reserves at least quarterly to ensure that our accruals are adequate in meeting expected future warranty obligations, and we will adjust our estimates as needed. Warranty expense is recorded as a component of cost of revenues in the consolidated statements of operations. The portion of the warranty provision which is expected to be incurred within 12 months from the balance sheet date is classified as current, while the remaining amount is classified as long-term liabilities.

Environmental Liabilities

We are subject to federal and state laws and regulations for the protection of the environment, including those related to the discharge of hazardous materials and remediation of contaminated sites. In October 2010, we completed the purchase of our Fremont, California manufacturing facility from New United Motor Manufacturing, Inc. (NUMMI). NUMMI has previously identified environmental conditions at the Fremont site which affect soil and groundwater. As the owner of the Fremont site, we may be responsible for the entire investigation and remediation of any environmental contamination at the Fremont site, whether it occurred before or after the date we purchased the property. Upon the completion of the purchase in October 2010, we recorded the estimated fair value of the environmental liabilities that we assumed to be \$5.3 million. The fair value of these liabilities was determined based on an expected value analysis of the related potential costs to investigate, remediate and manage various environmental conditions that were identified as part of NUMMI's facility decommissioning activities as well as our own diligence efforts. Estimated potential costs are not discounted to present value as the timing of payments cannot be reasonably estimated.

Net Loss per Share of Common Stock

Our basic net loss per share of common stock is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period. The weighted-average number of shares of common stock used to calculate our basic net loss per share of common stock excludes those shares subject to repurchase related to stock options that were exercised prior to vesting as these shares are not deemed to be issued for accounting purposes until they vest. The diluted net loss per share of common stock is computed by dividing the net loss using the weighted-average number of common shares, excluding common stock subject to repurchase, and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of common stock subject to repurchase

and stock options to purchase common stock and warrants to purchase convertible preferred stock (using the treasury stock method) and the conversion of our convertible preferred stock and convertible notes payable (using the if-converted method).

The following table presents the potential common shares outstanding that were excluded from the computation of diluted net loss per share of common stock for the periods presented because including them would have been antidilutive:

	2010	2009	2008
Convertible preferred stock		70,226,844	26,706,184
Stock options to purchase common stock	13,804,788	11,640,700	2,929,090
Common stock subject to repurchase	2,669	46,421	92,449
Common stock warrant	3,090,111		
Convertible preferred stock warrants		516,506	1,830,352
Convertible notes payable	_		13,575,287

Recent Accounting Pronouncements

In October 2009, the Financial Accounting Standards Board (FASB) issued an accounting standard update which requires companies to allocate revenue in multiple-element arrangements based on an element's estimated selling price if vendor-specific or other third-party evidence of value is not available. The guidance is effective beginning January 1, 2011 with early application permitted. We do not expect the adoption of the guidance to have a material impact on our consolidated financial statements.

In January 2010, the FASB issued updated guidance related to fair value measurements and disclosures which requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level I and Level II fair value measurements and to describe the reasons for the transfers. In addition, in the reconciliation of fair value measurements using Level III inputs, a reporting entity will be required to disclose information about purchases, sales, issuances and settlements on a gross rather than on a net basis. The updated guidance will also require fair value disclosures for each class of assets and liabilities and disclosures about the valuation techniques and inputs used to measure fair value for both recurring and non-recurring Level II and Level III fair value measurements. The updated guidance is effective for interim or annual reporting periods beginning after December 15, 2009, except for the disclosures regarding the reconciliation of Level III fair value measurements, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The adoption of this updated guidance did not have a material impact on our consolidated financial statements.

In April 2010, the FASB issued an accounting standard update which provides guidance on the criteria to be followed in recognizing revenue under the milestone method. The milestone method of recognition allows a vendor who is involved with the provision of deliverables to recognize the full amount of a milestone payment upon achievement, if, at the inception of the revenue arrangement, the milestone is determined to be substantive as defined in the standard. The guidance is effective on a prospective basis for milestones achieved in fiscal years and interim periods within those fiscal years, beginning on or after June 15, 2010. Early adoption is permitted. We do not expect the adoption of the guidance to have a material impact on our consolidated financial statements.

3. Balance Sheet Components

As of December 31, 2010 and 2009, our inventory consisted of the following components (in thousands):

		December 31,					
	2010		2010 200				
Inventory							
Raw material	\$	15,936	\$	10,001			
Work in process		4,538		3,403			
Finished goods		20,125		7,038			
Service		4,583		2,780			
	\$	45,182	\$	23,222			

We write down inventory as a result of excess and obsolete inventories and when we believe that the net realizable value of inventories is less than the carrying value. During the years ended December 31, 2010 and 2009, we recorded write-downs of \$1.0 million and \$1.4 million, respectively, in cost of automotive sales. During the year ended December 31, 2008, we recorded write-downs of \$3.7 million in research and development expenses and \$0.6 million in cost of automotive sales.

As of December 31, 2010 and 2009, our property, plant and equipment consisted of the following components (in thousands):

	December 31,			
		2010		2009
Property, Plant and Equipment, net				
Computer equipment and software	\$	8,864	\$	5,376
Office furniture, machinery and equipment		12,551		7,935
Tooling		15,913		15,010
Leasehold improvements		13,993		5,325
Land		26,391		
Construction in progress		58,917		2,619
		136,629		36,265
Less: Accumulated depreciation and amortization		(21,993)		(12,730)
	<u>\$</u>	114 <u>,636</u>	\$	23,535

As of December 31, 2010, land of \$26.4 million, as well as construction in progress of \$30.3 million related to building, site improvements, manufacturing assets and spare parts, were purchased as part of our facility in Fremont, California (see Note 4). Capitalized interest on construction in progress is included in property, plant and equipment. During the year ended December 31, 2010, we capitalized \$0.8 million of interest expense to construction in progress.

Depreciation and amortization expense during the years ended December 31, 2010, 2009 and 2008, was \$10.0 million, \$6.9 million and \$4.2 million, respectively. Total property and equipment assets under capital lease at December 31, 2010 and 2009, were \$0.4 million and \$0.6 million, respectively. Accumulated depreciation related to assets under capital lease as of these dates were \$0.2 million and \$0.1 million, respectively.

As of December 31, 2010 and 2009, our other assets consisted of the following (in thousands):

	December 31,			
		2010		2009
Other Assets	,			
Loan facility issuance costs, net	\$	7,053	\$	709
Common stock issuance costs		······ · · · · · · · · · · · · · · · ·		1,337
Emission credits		14,508		
Others		1,169		704
	\$	22,730	\$	2,750

As of December 31, 2010 and 2009, our accrued liabilities consisted of the following (in thousands):

	December 31,			
		2010		2009
Accrued Liabilities				
Payroll and related costs	\$	6,516	\$	2,192
Accrued purchases		10,030		9,920
Taxes payable		2,674		452
Accrued warranty		1,725		1,445
Adverse purchase commitments				523
	\$	20,945	\$	14,532

As of December 31, 2010 and 2009, our other long-term liabilities consisted of the following (in thousands):

	December 31,			
·		2010		2009
Other Long-Term Liabilities				
Accrued warranty, long-term	\$	3,692	\$	2,312
Deferred rent liability		2,919		1,147
Environmental liabilities		5,300		_
Other		363		
	\$	12,274	\$	<u>3,459</u>

4. Purchase of Fremont Facility and Assets

Fremont Facility

In May 2010, we entered into an agreement to purchase an existing automobile production facility located in Fremont, California from New United Motor Manufacturing, Inc. (NUMMI), which is a joint venture between Toyota, and Motors Liquidation Company, the owner of selected assets of General Motors. In October 2010, we completed the purchase and received title to the facility and land. The total cash paid was \$42.0 million. The purchase totals 210 acres, or approximately 55% of the land at the site, and includes all of the manufacturing facilities located thereon. In October 2010, we and NUMMI amended the facility purchase agreement to include the transfer to us of certain operating permits, or emission credits, for additional consideration of \$6.5 million. We completed the transfer of these permits in October 2010. We intend to use the facility and manufacturing assets for the production of our planned Model S vehicle and to build our future vehicles.

NUMMI has previously identified environmental conditions at the Fremont site which affect soil and groundwater, and is currently undertaking efforts to address these conditions. Although we have been advised by NUMMI that it has documented and managed the environmental issues, we cannot determine with certainty the total potential costs to remediate pre-existing contamination. Based on

management's best estimate, we estimated the fair value of the environmental liabilities that we assumed to be \$5.3 million. The fair value of these liabilities was determined based on an expected value analysis of the related potential costs to investigate, remediate and manage various environmental conditions that were identified as part of NUMMI's facility decommissioning activities as well as our own diligence efforts. As NUMMI continues with its decommissioning activities and we continue with our planned construction and operating activities, it is reasonably possible that our estimate of environmental liabilities may change materially. We have reached an agreement with NUMMI in terms of how we and NUMMI will take responsibility for any costs related to governmentally-required remediation activities for contamination that existed prior to the completion of the facility and land purchase for any known or unknown environmental conditions (see Note 14).

The purchase consideration for the Fremont facility consisted of cash paid of \$48.5 million and liabilities assumed of \$5.3 million for an aggregate purchase price of \$53.8 million. The aggregate purchase price of \$53.8 million was allocated to land, building, site improvements and emission credits based on their relative fair values as the total estimated fair values of these assets were greater than the total purchase price. The following table summarizes the allocation of the purchase price to the tangible and intangible assets purchased as of the date of purchase (in thousands):

Building and site improvements	\$ 13,556
Land	25,736
Emission credits	14,508
	<u>53,800</u>

Building and site improvements are classified within construction in progress and together with land, are recorded in property, plant and equipment, net, on the consolidated balance sheet. The estimated fair value of land was determined using the market approach. Although the market approach compares the subject asset purchase to similar transactions which would otherwise classify these inputs within Level II of the fair value hierarchy, adjustments we made to comparable sales both qualitatively and quantitatively caused us to classify these inputs within Level III of the fair value hierarchy. The fair value of the building and site improvements were estimated using the cost approach and therefore, the inputs are classified within Level III of the fair value hierarchy. Incremental due diligence costs of \$0.7 million related to the purchase of the land have been capitalized to land.

Emission credits are classified as intangible assets and are recorded in other noncurrent assets on the consolidated balance sheet. The estimated fair value of emission credits was determined using market data related to traded emission credits and as such, these inputs are classified within Level I of the fair value hierarchy. The utility of the emission credits are related to the operation of the purchased facility and therefore, will be amortized over the same useful life. As the facility is not yet ready for its intended use, we have not yet commenced the depreciation of the facility or the amortization the emission credits. We currently estimate that building and building improvements, as well as the emission credits, will have an estimated useful life of 25 years.

Manufacturing Assets

In August 2010, we entered into a separate purchase agreement with NUMMI for the purchase of certain manufacturing equipment and spare parts located at the Fremont facility. This purchase agreement was subsequently amended to include additional manufacturing equipment and spare parts. In October 2010, we completed this purchase concurrent with the completion of the facility purchase. The aggregate purchase price for these assets was \$16.7 million reflecting the estimated fair value of these assets. As these manufacturing assets and spare parts are not yet ready for their intended use, they are classified within construction in progress and recorded in property, plant and equipment, net, on the

consolidated balance sheet. We have not yet commenced the depreciation of these assets. We currently estimate that manufacturing and related assets will have an estimated useful life of 15 years.

5. Reservation Payments

Reservation payments consist of reservation and membership payments that allow potential customers to hold a reservation for the future purchase of a Tesla Roadster or Model S. These amounts are recorded as current liabilities until the vehicle is delivered. For our 2010 model year Tesla Roadsters manufactured to specification, our current purchase agreement requires the payment of an initial nonrefundable deposit which varies based on the country of purchase. For the Model S, we require an initial refundable reservation payment of at least \$5,000. For vehicles purchased directly from our showrooms, no deposit is required. Prior to the three months ended June 30, 2010, our reservation policy was to accept refundable reservation payments from all customers who wished to purchase a Tesla Roadster and require full payment of the purchase price of the vehicle at the time the customer selected their vehicle specifications. During the three months ended June 30, 2010, we changed our policy to require nonrefundable deposits for Tesla Roadsters manufactured to specification at the time a customer enters into a purchase agreement. However, we also occasionally accept refundable reservation payments for the Tesla Roadster if a customer is interested in purchasing a vehicle but not yet prepared to select the vehicle specifications. For customers who have placed a refundable reservation payment with us, the reservation payment becomes a nonrefundable deposit once the customer has selected the vehicle specifications and enters into a purchase agreement. We now require full payment of the purchase price of the vehicle only upon delivery of the vehicle to the customer. Amounts received by us as reservation payments are generally not restricted as to their use by us. Upon delivery of the vehicle, the related reservation payments are applied against the customer's total purchase price for the vehicle and recognized in automotive sales as part of the respective vehicle sale.

As of December 31, 2010 and 2009, reservation payments in the amount of \$30.8 million and \$26.0 million, respectively, were recorded as current liabilities on the consolidated balance sheets. As of December 31, 2010, we held reservation payments for undelivered Tesla Roadsters in an aggregate amount of \$2.5 million and reservation payments for Model S sedans in an aggregate amount of \$28.3 million. As of December 31, 2009, we held reservation payments for undelivered Tesla Roadsters in an aggregate amount of \$8.2 million and reservation payments for Model S sedans in an aggregate amount of \$17.9 million. In order to convert the reservation payments into revenue, we will need to sell vehicles to these customers. All reservation payments for the Model S are fully refundable until such time that a customer enters into a purchase agreement.

6. Convertible Preferred Stock

On June 28, 2010, our registration statement on Form S-1 for our IPO was declared effective by the SEC and on July 2, 2010, we closed our IPO. As a result of the IPO, our convertible preferred stock was automatically converted into common stock.

The following table summarizes information related to our convertible preferred stock prior to conversion into common stock:

	Share Price					Issued and	Liquidation			
	Par Vaine		at issuance		Authorized	Outstanding	Preference		Proceeds, Net	
			(In thousands except share and per share amounts)							
Series A	\$	0.001	\$	0.49	7,213,000	7,213,000	\$	3,556	\$	3,549*
Series B		0.001		0.74	17,459,456	17,459,456		12,920		12,899
Series C		100.0		1.14	35,893,172	35,242,290		40,000		39,789
Series D		0.001		2,44	18,440,449	18,440,449		45,000		44,941.
Series E		0.001		2.51	112,897,905	102,776,779		258,175		135,669
Series F		0.001		2.97	30,000,000	27,785,263		82,500		82,378
Total					221,903,982	<u>208,917,237</u>	\$	<u>442,151</u>	<u>\$</u>	<u>319.225</u>

^{*} Net of \$3.9 million conversion of Series A convertible preferred stock to common stock.

Each of our Series A, B, D, E and F convertible preferred stock converted on a 1:0.33 basis into common stock while the Series C convertible preferred stock converted on a 1:0.35 basis.

Dividends

No dividends on the convertible preferred stock have been declared by the Board of Directors from inception through their conversion into common stock.

7. Convertible Preferred Stock Warrants

In March 2006, we issued warrants to purchase 650,882 shares of Series C convertible preferred stock in conjunction with the conversion of previously issued convertible notes payable into Series C convertible preferred stock. The warrants had an exercise price of \$1.14 per share and expired on the earlier of March 30, 2011 or an initial public offering. As a result of our IPO which closed on July 2, 2010, these warrants were net exercised for 184,359 shares of common stock. The fair value of these warrants as of July 2, 2010 in the amount of \$3.6 million was recorded in equity on the consolidated balance sheet. Through the net exercise of the Series C convertible preferred stock warrants in July 2010, we recognized a charge from the change in the fair value of these warrants during 2010 in the amount of \$2.6 million through other expense, net, on the consolidated statement of operations.

As of December 31, 2009, the fair value of warrants to purchase shares of the Series C convertible preferred stock in the amount of \$1.0 million was included within the convertible preferred stock warrant liability on the consolidated balance sheet. During the years ended December 31, 2009 and 2008, we recognized charges from the change in the fair value of these warrants in the amounts of \$0.7 million and \$0.1 million, respectively, through other expense, net, on the consolidated statements of operations.

In February 2008, we issued warrants with our February 2008 convertible notes payable. The warrants allowed for the purchase of shares of either Series D convertible preferred stock at a price of \$2.44 per share, which amounted to warrants to purchase 8,246,914 shares of Series D convertible preferred stock, or the securities issuable in a subsequent round of financing at the per share price of such securities.

On December 24, 2008, warrants to purchase 3,439,305 of the shares of Series D convertible preferred stock were extinguished as a result of the election of certain holders of the February 2008 convertible notes to exchange their notes and warrants for December 2008 convertible notes. On the date of the exchange, we recognized a gain in the amount of \$1.3 million through other expense, net, in connection with the extinguishment of these warrants.

During the year ended December 31, 2009, warrants to purchase an additional 3,967,152 shares of Series D convertible preferred stock were extinguished as a result of the election of certain remaining holders of the February 2008 convertible notes as part of an exchange of their notes and warrants for December 2008 convertible notes. On the date of the exchange, we recognized a gain in the amount of \$1.5 million through other expense, net, in connection with the extinguishment of these warrants.

In May 2009, we completed our Series E financing in which \$50.0 million of proceeds was received for the purchase of 19,901,290 shares of Series E convertible preferred stock at a price of \$2.51 per share. In connection with this financing, the remaining holders of the February 2008 notes and warrants converted their notes into shares of Series E convertible preferred stock and converted their warrants into warrants to purchase 866,091 shares of Series E convertible preferred stock.

As a result of our IPO which closed on July 2, 2010, these warrants which exclude the DOE warrant (see Note 8), were net exercised for 160,688 shares of common stock. The fair value of these warrants as of July 2, 2010 in the amount of \$3.4 million was recorded in equity on the consolidated balance sheet. Through the net exercise of the Series E convertible preferred stock warrants in July 2010, we recognized a charge from the change in the fair value of these warrants during 2010 in the amount of \$2.7 million through other expense, net, on the consolidated statement of operations.

As of December 31, 2009, excluding the DOE warrant, the fair value of warrants to purchase 866,091 shares of the Series E convertible preferred stock in the amount of \$0.7 million was included within the convertible preferred stock warrant liability on the consolidated balance sheet. During the year ended December 31, 2009, we recognized charges from the change in the fair value of these Series E warrants in the amounts of \$0.4 million through other expense, net, on the consolidated statement of operations.

8. Department of Energy Loan Facility

On January 20, 2010, we entered into a loan facility with the Federal Financing Bank (FFB), and the DOE, pursuant to the ATVM Incentive Program (the DOE Loan Facility). Under the DOE Loan Facility, the FFB has made available to us two multi-draw term loan facilities in an aggregate principal amount of up to \$465.0 million. Up to an aggregate principal amount of \$101.2 million will be made available under the first term loan facility to finance up to 80% of the costs eligible for funding for the powertrain engineering and the build out of a facility to design and manufacture lithium-ion battery packs, electric motors and electric components (the Powertrain Facility). Up to an aggregate principal amount of \$363.9 million will be made available under the second term loan facility to finance up to 80% of the costs eligible for funding for the development of, and to build out the manufacturing facility for, our Model S sedan (the Model S Facility). Under the DOE Loan Facility, we are responsible for the remaining 20% of the costs eligible for funding under the ATVM Program for the projects as well as any cost overruns for each project. The costs paid by us to date for the Powertrain Facility and the Model S Facility will be applied towards our obligation to contribute 20% of the eligible project costs, and the DOE's funding of future eligible costs will be adjusted to take this into account. Our obligations for the development of, and the build-out of our manufacturing facility for, the Model S is budgeted to be an aggregate of \$33 million or approximately 8.5% of the ongoing budgeted cost, plus any cost overruns for the projects. We have paid for the full 20% of the budgeted costs related to our Powertrain Facility and therefore expect to receive 100% reimbursement from the DOE Loan Facility for ongoing budgeted costs, but will continue to be responsible for cost overruns. On the closing date, we paid a facility fee to the DOE in the amount of \$0.5 million. From February through December 2010, we received loans under the DOE Loan Facility for an aggregate of \$71.8 million at interest rates ranging from 1.7% to 3.4%. As of

December 31, 2010, \$393.2 million remained available under the DOE Loan Facility for future draw downs.

Our ability to draw down funds under the DOE Loan Facility is conditioned upon several draw conditions. We are currently in compliance with these draw conditions. For the Powertrain Facility, the draw conditions include our achievement of progress milestones relating to the development of the powertrain manufacturing facility and the successful development of commercial arrangements with third parties for the supply of powertrain components. For the Model S Facility, the draw conditions include our achievement of progress milestones relating to the design and development of the Model S and the planned Model S manufacturing facility. Certain advances will be subject to additional conditions to draw-down related to the site on which the applicable project is located. Additionally, the DOE Loan Facility provides for the ability to update milestones should a reasonable need arise.

Advances under the DOE Loan Facility accrue interest at a per annum rate determined by the Secretary of the Treasury as of the date of the advance and will be based on the Treasury yield curve and the scheduled principal installments for such advance. Interest on advances under the DOE Loan Facility is payable quarterly in arrears. Advances under the Powertrain Facility are repayable in 28 equal quarterly installments commencing on December 15, 2012 (or for advances made after such date, in 26 equal quarterly installments commencing on June 15, 2013). All outstanding amounts under the Powertrain Facility will be due and payable on the maturity date of September 15, 2019. Advances under the Model S Facility are repayable in 40 equal quarterly installments commencing on December 15, 2012 (or for advances made after such date, in 38 equal quarterly installments commencing on June 15, 2013). All outstanding amounts under the Model S Facility will be due and payable on the maturity date of September 15, 2022. Advances under the loan facilities may be voluntarily prepaid at any time at a price determined based on interest rates at the time of prepayment for loans made from the Secretary of the Treasury to FFB for obligations with an identical payment schedule to the advance being prepaid, which could result in the advance being prepaid at a discount, at par or at a premium. The loan facilities are subject to mandatory prepayment with net cash proceeds received from certain dispositions, loss events with respect to property and other extraordinary receipts. All obligations under the DOE Loan Facility are secured by substantially all of our property.

Under the DOE Loan Facility, we have committed to pay all costs and expenses incurred to complete the projects being financed in excess of amounts funded under the loan facility. We will be required to maintain, at all times, available cash and cash equivalents of at least 105% of the amounts required to fund this excess over our financing commitment, after taking into account current cash flows and cash on hand, and reasonable projections of future generation of net cash from operations, losses and expenditures. Loans may be requested under the facilities until January 22, 2013, and we have committed to complete the projects being financed prior to such date.

The DOE Loan Facility documents contain customary covenants that include, among others, a requirement that the projects be conducted in accordance with the business plan for such project, compliance with all requirements of the ATVM Program, and limitations on our and our subsidiaries' ability to incur indebtedness, incur liens, make investments or loans, enter into mergers or acquisitions, dispose of assets, pay dividends or make distributions on capital stock, pay indebtedness, pay management, advisory or similar fees to affiliates, enter into certain affiliate transactions, enter into new lines of business, and enter into certain restrictive agreements, in each case subject to customary exceptions. The DOE Loan Facility documents also contain customary financial covenants requiring us to maintain a minimum ratio of current assets to current liabilities, and (i) through December 15, 2012, a minimum cash balance, and (ii) after December 15, 2012, a maximum leverage ratio, a minimum interest coverage ratio, a minimum fixed charge coverage ratio, a limit on capital expenditures and, after

March 31, 2014, a maximum ratio of total liabilities to shareholder equity. We are currently in compliance with these financial covenants.

The DOE Loan Facility documents also contain customary events of default, subject in some cases to customary cure periods for certain defaults. In addition, events of default include a failure of Elon Musk, our Chief Executive Officer, Product Architect and Chairman, and certain of his affiliates, at any time prior to one year after we complete the project relating to the Model S Facility, to own at least 65% of capital stock held by Mr. Musk and such affiliates as of the date of the DOE Loan Facility.

Under the DOE Loan Facility, we are required to fund a debt service reserve account on or before December 31, 2012, in an amount equal to all principal and interest that will come due on the advances on the next two payment dates. Once we have deposited such two payments, we will not be required to further fund such debt service reserve account. We have also agreed that, in connection with the sale of our common stock in an initial public offering, at least 75% of the net offering proceeds will be received by us and, in connection with the sale of our stock in any other follow-on equity offering, at least 50% of the net offering proceeds will be received by us. Offering proceeds may not be used to pay bonuses or other compensation to officers, directors, employees or consultants in excess of the amounts contemplated by our business plan approved by the DOE.

In addition to our obligation to fund a portion of the project costs as described above, we have agreed to set aside 50% of the net proceeds from our initial public offering and any subsequent offerings of stock occurring before the completion of the projects, up to an aggregate of \$100 million, to fund a separate, dedicated account under our DOE Loan Facility. This dedicated account can be used by us to fund any cost overruns for our powertrain and Model S manufacturing facility projects and will also be used as a mechanism to defer advances under the DOE Loan Facility. This will not affect our ability to draw down the full amount of the DOE loans, but will require us to use the dedicated account to fund certain project costs up front, which costs may then be reimbursed by loans under the DOE Loan Facility once the dedicated account is depleted, or as part of the final advance for the applicable project. We will be required to deposit a portion of these reimbursements into the dedicated account, in an amount equal to up to 30% of the remaining project costs for the applicable project, and these amounts may similarly be used by us to fund project costs and cost overruns and will similarly be eligible for reimbursement by the draw-down of additional loans under the DOE Loan Facility once used in full, or as part of the final advance for the applicable project. Upon the completion of our IPO and concurrent Toyota private placement in July 2010, we set aside \$100.0 million to fund the dedicated account. Through December 31, 2010, we transferred \$26.4 million from the dedicated account to our operating cash accounts in accordance with the provisions of the DOE Loan Facility. As of December 31, 2010, \$73.6 million remained in the dedicated account. As we expect to transfer the remainder of this balance within one year, we have classified such cash as current restricted cash on the consolidated balance sheet.

DOE Warrant

In connection with the closing of the DOE Loan Facility, we have also issued a warrant to the DOE to purchase up to 9,255,035 shares of our Series E convertible preferred stock at an exercise price of \$2.51 per share. Upon the completion of our IPO which occurred on July 2, 2010, this preferred stock warrant became a warrant to purchase up to 3,090,111 shares of common stock at an exercise price of \$7.54 per share. Beginning on December 15, 2018 and until December 14, 2022, the shares subject to purchase under the warrant will vest and become exercisable in quarterly amounts depending on the average outstanding balance of the loan during the prior quarter. The warrant may be exercised until December 15, 2023. If we prepay the DOE Loan Facility in part or in full, the total amount of shares exercisable under the warrant will be reduced.

Since the number of shares ultimately issuable under the warrants will vary depending on the average outstanding balance of the loan during the contractual vesting period, and decisions to prepay would be influenced by our future stock price as well as the interest rates on our loans in relation to market interest rates, we measured the fair value of the warrant using a Monte Carlo simulation approach. The Monte Carlo approach simulates and captures the optimal decisions to be made between prepaying the DOE loan and the cancellation of the DOE warrant. For the purposes of the simulation, the optimal decision represents the scenario with the lowest economic cost to us. The total warrant value would then be calculated as the average warrant payoff across all simulated paths discounted to our valuation date. The prepayment feature which allows us to prepay the DOE Loan Facility and consequently, affect the number of shares ultimately issuable under the DOE warrant, was determined to represent an embedded derivative. This embedded derivative is inherently valued and accounted for as part of the warrant liability on our consolidated balance sheets. Changes to the fair value of the embedded derivative are reflected as part of the warrant liability re-measurement to fair value at each balance sheet reporting date.

The warrant is recorded at its estimated fair value with changes in its fair value reflected in other expense, net, until its expiration or vesting. The fair value of the warrant at issuance was \$6.3 million, and along with the DOE Loan Facility fee of \$0.5 million and other debt issuance costs of \$0.9 million, represents a cost of closing the loan facility and is being amortized to interest expense over the expected term of the DOE Loan Facility of approximately 13 years. During the year ended December 31, 2010, we amortized \$0.6 million to interest expense.

Prior to completion of our IPO, the fair value of the DOE warrant was included within the convertible preferred stock warrant liability on the consolidated balance sheet. Upon the completion of our IPO on July 2, 2010, this warrant was reclassified on our consolidated balance sheet from convertible preferred stock warrant liability to common stock warrant liability. The DOE warrant will continue to be recorded at its estimated fair value with changes in the fair value reflected in other expense, net, as the number of common stock ultimately issuable under the warrant is variable until its expiration or vesting. As of December 31, 2010, the fair value of the DOE warrant was \$6.1 million. During the year ended December 31, 2010, we recognized income from the change in the fair value of the DOE warrant in the amount of \$0.2 million through other expense, net, on the consolidated statement of operations.

9. Common Stock

As of December 31, 2009, we were authorized to issue 313,006,077 shares of capital stock with a par value of \$0.001 per share. The authorized shares consisted of 100,000,000 shares of common stock and 213,006,077 shares of convertible preferred stock. In January 2010, we increased the number of authorized shares of our common stock from 100,000,000 to 106,666,667 shares and the number of authorized shares of our authorized preferred stock from 213,006,077 to 221,903,982 shares.

On June 28, 2010, our registration statement on Form S-1 for our IPO was declared effective by the SEC. As a result, the number of authorized shares of our common stock increased from 106,666,667 to 2,000,000,000 shares.

Initial Public Offering and Toyota Concurrent Private Placement

On June 28, 2010, our registration statement on Form S-1 for our IPO was declared effective by the SEC. The IPO closed on July 2, 2010, at which time we sold 11,880,600 shares of our common stock and received cash proceeds of \$188.8 million from this transaction, net of underwriting discounts and commissions. Additionally, we incurred offering costs of \$4.4 million related to the IPO. An additional 3,414,400 shares of common stock were sold by existing stockholders from which we did not receive any

proceeds. Costs associated with the sale of common stock by existing stockholders were not incurred by us.

Concurrent with the closing of our IPO, we sold 2,941,176 shares of our common stock to Toyota at a price per share equal to the IPO price, in a private placement transaction pursuant to which we received proceeds of \$50.0 million.

The net proceeds from our IPO as well as the Toyota private placement, have been recorded in stockholders' equity. Offering costs of \$4.4 million have been reclassified from other noncurrent assets and offset against additional paid-in capital in stockholders' equity.

Panasonic Private Placement

In November 2010, we entered into a common stock purchase agreement with an entity affiliated with Panasonic Corporation (Panasonic) pursuant to which we issued and sold an aggregate of 1,418,573 shares of our common stock at a price of \$21.15 per share, which was the average of the trading highs and lows of our common stock from October 25 to October 29, 2010. Upon completion of the private placement transaction on November 2, we received aggregate proceeds of \$30.0 million. Concurrently with the sale and issuance of the shares to Panasonic, we amended our investors' rights agreement as of November 2, 2010 to grant Panasonic registration rights on a pari passu basis with certain other holders of registration rights with respect to the shares of common stock purchased in the private placement.

Early Exercise of Employee Options

Stock options granted under our stock option plan on or prior to October 29, 2008 provide employee option holders the right to exercise unvested options in exchange for shares of restricted common stock. Unvested shares, in the amounts of 2,669 and 46,421 as of December 31, 2010 and 2009, respectively, were subject to a repurchase right held by us at the original issuance price in the event the optionees' employment is terminated either voluntarily or involuntarily. For exercises of employee options, this repurchase right generally lapses as to 1/4th of the shares subject to the option on the first anniversary of the vesting start date and as to 1/48th of the shares monthly thereafter. Due to the administrative burden and cost, we abandoned the practice of granting options with a right to early exercise. To date, we have always exercised our right to repurchase unvested restricted shares upon the termination of an employee.

These repurchase terms are considered to be a forfeiture provision and do not result in variable accounting. The restricted shares issued upon early exercise of stock options are legally issued and outstanding. However, these restricted shares are only deemed outstanding for basic earnings per share computation purposes upon the respective repurchase rights lapsing. We treat cash received from employees for the exercise of unvested options as a refundable deposit shown as a liability in our consolidated balance sheets. As of December 31, 2010 and 2009, these amounts are not significant.

Stockholder Settlement

During the three months ended March 31, 2010, three of our stockholders who are affiliated with one of our Board members asserted a claim regarding the conversion of such stockholders' convertible promissory notes into shares of our Series E convertible preferred stock at the time of our Series E preferred stock financing in May 2009. In May 2010, we entered into a settlement agreement with these stockholders and pursuant to the terms of the settlement agreement, we issued warrants to such stockholders which, upon the closing of our IPO in July 2010, were automatically net exercised for an aggregate of 100,000 shares of our common stock. During the three months ended June 30, 2010, the fair

value of these warrants in the amount of \$1.7 million was recorded in equity on the consolidated balance sheet based on a Black-Scholes valuation. In conjunction with the settlement of our liability to issue such warrants, we recognized a charge of \$1.1 million during the year ended December 31, 2010, through other expense, net, on the consolidated statement of operations.

10. Equity Incentive Plans

In July 2003, we adopted the 2003 Equity Incentive Plan. Concurrent with the effectiveness of our registration statement on Form S-1 on June 28, 2010 (see Note 9), we adopted the 2010 Equity Incentive Plan (the Plan) and all remaining common shares reserved for future grant or issuance under the 2003 Equity Incentive Plan were added to the 2010 Equity Incentive Plan. The Plan provides for the granting of stock options and stock purchase rights to employees, directors and consultants of Tesla. Options granted under the Plan may be either incentive options or nonqualified stock options. Incentive stock options may be granted only to our employees including officers and directors. Nonqualified stock options and stock purchase rights may be granted to our employees and consultants. As of December 31, 2010, there were 9,407,975 shares of common stock reserved for issuance under the Plan.

The following table summarizes option activity under the Plan:

	Outstanding Options					
	Shares Available for Number of Grant Options			Veighted Average Exercise Price		
Balance, December 31, 2007	741,359	4,279,646	\$	1.23		
Repurchased restricted stock	125,082			0.67		
Granted	(1,445,756)	1,445,756		2.70		
Exercised		(733,604)		0.37		
Canceled	2,129,374	(2,129,374)		1.64		
Balance, December 31, 2008	1,550,059	2,862,424		1.88		
Additional options reserved	8,366,666					
Repurchased restricted stock	4,836			0.90		
Granted	(10,275,974)	10,275,974		5.98		
Exercised		(195,264)		1.19		
Canceled	1,369,100	(1,369,100)		2.70		
Balance, December 31,2009	1,014,687	11,574,034		5.44		
Additional options reserved	11,269,286	-				
Repurchased restricted stock	9,170			0.90		
Granted	(3,328,705)	3,328,705		17.96		
Exercised	_	(721,080)		1.84		
Canceled	443,537	(443,537)		6.61		
Balance, December 31, 2010	9,407,975	13,738,122		8.62		

In addition to stock options issued from the Plan, as of December 31, 2010, 2009 and 2008, were 66,666 stock options that we had previously granted to non-employees outside of the Plan. These non-employee options outstanding had a weighted average exercise price of \$1.80 as of each year end.

Additional information regarding all stock options outstanding and exercisable as of December 31, 2010 is summarized below:

	Options Outstanding			O	ıble			
Range of Exercise Price	Number	A	Veighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number	A	eighted verage xercise Price	Weighted Average Remaining Contractual Life (in years)
\$0.15 - \$2.10	517,493	\$	1.31		463,216	\$	1.23	
\$2.70 - \$2.70	1,568,473		2.70		772,729		2.70	
\$2.94 - \$6.15	549,642		4.99		180,599		4.80	
\$6.63 - \$6.63	7,943,740		6.63		2,050,354		6.63	
\$9.96 - \$13.23	627,112		11.24		18,245		11.10	
\$14.17 - \$14.17	1,090,915		14.17		14,987		14.17	
\$20,24 - \$20,24,	216,614		20,24		3,084		20.24	
\$20.72 - \$20.72	564,752		20.72		4,446		20.72	
\$24.98 - \$24.98	455,580		24.98		369		24.98	
\$30.55 - \$30.55	270,467		30.55		1,250		30.55	
	13,804,788		3.59	6.06	3.506.279		5.05	5.19

Additional information regarding all stock options outstanding and exercisable as of December 31, 2009 is summarized below:

	Oį	Options Outstanding					Exercisa	ible
				Weighted Average				Weighted Average
		A	Weighted Remaining Average Contractual Exercise Life (in			A	eighted verage ercise	Remaining Contractual Life (in
Range of Exercise Price	Number		Price	years)	Number		rice	years)
\$0.15 - \$6.63	11,640,700	\$	5.42	6,16	2,184,200	\$	3.72	5.22

The aggregate intrinsic value represents the total pretax intrinsic value (i.e., the difference between our common stock price and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options. The aggregate intrinsic value of options outstanding as of December 31, 2010 and 2009 was \$250.1 million and \$13.8 million, respectively. The intrinsic value of options exercisable was \$75.7 million and \$6.1 million, and the intrinsic value of options vested and expected to vest was \$203.0 million and \$12.3 million as of December 31, 2010 and 2009, respectively. The total intrinsic value of options exercised was \$10.0 million and \$0.6 million for the years ended December 31, 2010 and 2009, respectively.

Fair Value Adoption

We adopted the fair value method on January 1, 2006 in recognizing stock-based compensation expense. Under the fair value method, we estimated the fair value of each option award on the grant date using the Black-Scholes option pricing model and the weighted average assumptions noted in the following table.

	2010	2009	2008
Risk-free interest rate	2.0%	2.2%	2.2%
Expected term (in years)	5,3	4.6	4.6
Expected volatility	71%	64%	53%
Dividend yield	0%	0%	0%

The weighted-average grant-date fair value for option awards granted during the years ended December 31, 2010, 2009 and 2008, was \$10.99, \$3.00 and \$0.68 per share, respectively.

The fair value of the shares of common stock underlying the stock options has historically been determined by the Board of Directors as there was no public market for our common stock. The Board of Directors has determined fair value of the common stock at the time of each grant of options by considering a number of objective and subjective factors including valuation of comparable companies, sales of convertible preferred stock to unrelated third parties, operating and financial performance, the lack of liquidity of capital stock, and trends in the broader automobile industry. We have not granted stock options with an exercise price that is less than the fair value of the underlying common stock as determined at the time of grant by our Board of Directors, with input from management. The fair market value of the underlying common stock was determined by the Board of Directors until the completion of our IPO when our common stock was listed on an established stock exchange.

Information regarding our stock option grants during 2008, 2009 and the six months prior to the completion of our IPO, including the grant date; the number of stock options issued with each grant; and the exercise price, which equals the grant date fair value of the underlying common stock for each grant of stock options, is summarized as follows:

Grant Date	Number of Options Granted	Pri Fai per Co	xercise ice and ir Value Share of ommon Stock
June 4, 2008	762,137	\$	2.70
July 8, 2008	278,308		2.70
September 3, 2008	200,155		2.70
October 29, 2008	205,156		2.70
March 2, 2009	214,813		2.70
April 13, 2009	1,005,837		2.70
April 22, 2009	105,184		2.70
August 4, 2009			2.94
October 21,2009	590,638		6.15
December 4, 2009	7,977,444		6.63
December 16, 2009			6.63
March 3, 2010	402,660		9.96
April 28, 2010	256,320		13.23
June 12, 2010			14.17

Included in our December 4, 2009 stock option grants were 6,711,972 stock options granted to our Chief Executive Officer in two separate grants. In recognition of his and our company's achievements and to create incentives for future success, our Board of Directors approved an option grant to our Chief Executive Officer representing 4% of our fully-diluted share base prior to such grant as of December 4, 2009, or 3,355,986 stock options, with 1/4th of the shares vesting immediately, and 1/36th of the remaining shares scheduled to vest each month over three years, assuming continued employment through each vesting date. In addition, to create incentives for the attainment of clear performance objectives around a key element of our current business plan—the successful launch and commercialization of the Model S—the Board of Directors approved an additional option grant to our Chief Executive Officer totaling an additional 4% of our fully-diluted shares prior to such grant as of December 4, 2009, or 3,355,986 stock options, with a vesting schedule based entirely on the attainment of

performance objectives as follows, assuming Mr. Musk's continued employment and service to us through each vesting date:

- 1/4th of the shares subject to the option are scheduled to vest upon the successful completion of the Model S Engineering Prototype;
- 1/4th of the shares subject to the option are scheduled to vest upon the successful completion of the Model S Validation Prototype;
- 1/4th of the shares subject to the option are scheduled to vest upon the completion of the first Model S Production Vehicle; and
- 1/4th of the shares subject to the option are scheduled to vest upon the completion of the 10,000th Model S Production Vehicle.

If he does not meet one or more of the above milestones prior to the fourth anniversary of the date of the grant, he will forfeit his right to the unvested portion of the grant.

Due to the significant number of stock options granted to our Chief Executive Officer, we valued these December 2009 grants by using the following grant-specific Black-Scholes assumptions: risk-free interest rate of 1.7%, expected term of 4.1 years, expected volatility of 70% and dividend yield of 0%. Stock-based compensation expense related to Mr. Musk's grants was \$9.2 million for the year ended December 31, 2010.

Included in our June 2010 and September 2010 stock option grants were 666,300 and 20,000, respectively, of stock options granted to various members of our senior management with a vesting schedule based entirely on the attainment of the same performance objectives as those outlined for Mr. Musk above. As of December 31, 2010, the first performance milestone was achieved and the remaining performance milestones were considered probable of achievement. For the year ended December 31, 2010, we recognized \$8.9 million of stock-based compensation expense related to the attainment of performance objectives.

The following table summarizes the consolidated stock-based compensation expense by line item in the consolidated statements of operations (in thousands):

	2	2010	2	009	2008
Cost of sales	\$	243	\$	61	\$ 26
Research and development		4,139		376	125
Selling, general and administrative		16,774		997	 286
Total	<u>\$</u>	<u>21,156</u>	\$	<u>1,434</u>	\$ 437

We realized no income tax benefit from stock option exercises in each of the periods presented due to recurring losses and valuation allowances. As required, we present excess tax benefits from the exercise of stock options, if any, as financing cash flows rather than operating cash flows.

As of December 31, 2010, we had \$34.6 million of total unrecognized compensation expense, net of estimated forfeitures, that will be recognized over a weighted-average period of 2.6 years.

Employee Stock Purchase Plan

Concurrent with the effectiveness of our registration statement on Form S-1 on June 28, 2010 (see Note 9), we established the 2010 Employee Stock Purchase Plan (the ESPP) which is intended to qualify under Section 423 of the Internal Revenue Code of 1986. Under the ESPP, employees are eligible to purchase common stock through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The purchase price of the shares on each purchase date is equal to 85% of the lower of the fair market value of our common stock on the first and last trading days of each six-month offering period. Through December 31, 2010, no shares have yet been issued under the ESPP. A total of 1,666,666 shares of common stock have been reserved for issuance under the ESPP as of December 31, 2010.

11. Income Taxes

No provision for U.S. income taxes has been made due to cumulative losses since the commencement of operations.

A provision for income taxes of \$0.2 million, \$26,000 and \$0.1 million, has been recognized for the years ended December 31, 2010, 2009 and 2008, respectively, related primarily to our subsidiaries located outside of the United States. Our net loss before provision for income taxes for the years ended December 31, 2010, 2009 and 2008, is as follows (in thousands):

	 2010 2009			_	2008		
Domestic	\$ 154,734 (579)	\$	56,983	\$	82,963		
International	\$ (579) 154,155	\$	(1,269) 55,714	\$	82,685		

The components of the provision for income taxes for the years ended December 31, 2010, 2009 and 2008, are as follows (in thousands):

	 2010		2009	2008		
Current:						
Federal	\$ 	\$	_	\$		
State	9		4		1	
Foreign	 177		(53)		181	
Total current	 186		(49)		182	
Deferred:	 	,				
Federal					_	
State						
Foreign	 (13)		75		(85)	
Total deferred	 (13)		75		(85)	
Total provision for income taxes	\$ 173	\$	26	\$	97	

Deferred tax assets (liabilities) as of December 31, 2010 and 2009, consist of the following (in thousands):

	December 31,			
	2010			2009
Deferred tax assets:				
Net operating loss carry-forwards	\$	140,642	\$	96,022
Research and development credits		13,344		8,826
Deferred revenue		160		123
Inventory and warranty reserves		2,609		2,024
Depreciation and amortization		1,125		
Accruals and others		2,940		1,382
Total deferred tax assets		160,820		108,377
Valuation allowance		(160,803)		(108,271)
Deferred tax liabilities:				,
Undistributed earnings of foreign subsidiaries				(65)
Depreciation and amortization				(29)
Net deferred tax assets	\$	17	\$	12

Reconciliation of statutory federal income taxes to our effective taxes for the years ended December 31, 2010, 2009 and 2008, is as follows:

	 2010 2009		 2008	
Tax at statutory federal rate	\$ (52,413)	\$	(18,943)	\$ (28,113)
State tax—net of federal benefit	(5,842)		(2,825)	(4,252)
Nondeductible expenses	9,310		514	211
Foreign income rate differential	254		(72)	2
U.S. tax credits	(4,406)		(2,498)	(3,763)
Prior period adjustment	736		4,809	5,789
Change in valuation allowance	 <u>52,534</u>		19,041	 30,223
Provision for income taxes	\$ 173	\$	26	\$ 97

Management believes that based on the available information, it is more likely than not that the deferred tax assets will not be realized, such that a full valuation allowance is required against all U.S. deferred tax assets.

As of December 31, 2010, we had approximately \$369 million of federal and \$278 million of California operating loss carry-forwards available to offset future taxable income which expire in varying amounts beginning in 2024 for federal and 2019 for state if unused. Additionally, we have research and development tax credits of approximately \$8.0 million and \$8.1 million for federal and state income tax purposes, respectively. If not utilized, the federal carry-forwards will expire in various amounts beginning in 2019. However, the state credits can be carried forward indefinitely.

Federal and state laws impose substantial restrictions on the utilization of net operating loss and tax credit carry-forwards in the event of an "ownership change," as defined in Section 382 of the Internal Revenue Code. Prior to our IPO, we performed a study and had determined that no significant limitation will be placed on the utilization of our net operating loss and tax credit carry-forwards. We do not believe that our IPO would constitute an ownership change resulting in limitations on our ability to use our net operating loss and tax credit carry-forwards; however, we have not yet performed a study subsequent to our IPO to determine whether such limitations exist.

Uncertain Tax Positions

Effective January 1, 2007, we adopted new accounting guidance related to the recognition, measurement and presentation of uncertain tax positions. As a result, we recorded net unrecognized tax benefits of \$11.5 million with an offset to the deferred tax assets with a full valuation allowance.

The aggregate changes in the balance of our gross unrecognized tax benefits during the years ended December 31, 2010, 2009 and 2008, are as follows (in thousands):

January 1, 2008	\$ 14,480
Increases in balances related to tax positions taken during current year	
December 31, 2008	 15,055
Increases in balances related to tax positions taken during current year	 541
December 31, 2009	15,596
Increases in balances related to tax positions taken during current year	<u>797</u>
December 31, 2010	\$ 16,393

Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense and was zero. As of December 31, 2010, unrecognized tax benefits of \$16.4 million, if recognized, would not affect our effective tax rate as the tax benefits would increase a deferred tax asset which is currently fully offset with a full valuation allowance. We do not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease within the next 12 months. We file income tax returns in the United States, California, various states, the United Kingdom and other foreign jurisdictions. Tax years 2007 to 2010 remain subject to examination for federal purposes, and tax years 2006 to 2010 remain subject to examination for California purposes. All net operating losses and tax credits generated to date are subject to adjustment for U.S. federal and California purposes. Tax years 2005 to 2010 remain open for examination in other U.S. state and foreign jurisdictions.

12. Information about Geographic Areas

We have determined that we operate in one reporting segment which is the design, development, manufacturing and sales of electric vehicles and electric vehicle powertrain components.

The following tables set forth revenues and long-lived assets by geographic area (in thousands). Revenue by geography is based on the billing address of the customer.

Revenues

	2010		2009	2008
North America	\$ 41,866	\$	90,833	\$ 14,742
Europe	70,542		21,110	
Asia	 4,336			
	\$ _116,744	\$_	111,943	\$ 14,742

North American revenues are comprised primarily of U.S. revenues.

Long-lived Assets

		Decen	mer J	l <u>,</u>
	-	2010		2009
United States	\$	119,014	\$	22,667
International		3,585		868
Total	<u>\$</u>	122,599	\$	23,535

13. Strategic Partnerships

Daimler AG

In May 2009, we sold 19,901,290 shares of Series E convertible preferred stock to Blackstar Investco LLC, an affiliate of Daimler, for aggregate proceeds of \$50.0 million. As we have provided and are providing development services for an affiliate of a significant stockholder, these transactions are considered related party transactions.

Daimler Smart Fortwo Program

In May 2009, we and Daimler formalized a development arrangement related to Daimler's Smart fortwo electric vehicle program under which we were performing powertrain development activities since 2008. In May 2009, we entered into an agreement with Daimler related to the development of a battery pack and charger for Daimler's Smart fortwo electric drive. We began development efforts in the year ended December 31, 2008 and began receiving payments to compensate us for the cost of our development activities prior to entering into the formal agreement in May 2009. We received aggregate payments in the amount of \$10.2 million during 2008 for our services; however, we deferred recognition for these payments received in advance of the execution of the final agreement because a number of significant contractual terms were not in place prior to that time. Upon entering into the final agreement in May 2009, we had received and deferred an aggregate of \$14.5 million under the agreement. Under the terms of the final agreement, Daimler was to pay us an additional \$8.7 million subject to successful completion and acceptance of certain development milestones.

We recognized the \$14.5 million paid in advance of the execution of the final agreement as deferred development compensation on a straight-line basis. This amount was recognized over the expected life of the agreement, beginning in May 2009 and continuing through November 2009. Payments received upon the achievement of development milestones subsequent to the execution of the final agreement in May 2009 were recognized upon achievement and acceptance of the respective milestones. All amounts received under this agreement were recognized as an offset to research and development expenses, as we were performing development activities on behalf of Daimler, were being compensated for the cost of these activities and could not practicably separate the efforts or costs related to these activities from our own research and development. During the year ended December 31, 2009, we recognized \$23.2 million in development compensation, as an offset to research and development expenses. As of December 31, 2009, all development work related to the development agreement had been completed, and we had recognized the full \$23.2 million under the development agreement. During the year ended December 31, 2009, we received total payments from Daimler in the amount of \$11.1 million. As of December 31, 2010 and 2009, there were amounts receivable of \$0 and \$2.9 million from Daimler related to this agreement.

Upon completion of the development activities, we began selling powertrain components to Daimler for the Smart fortwo program. Powertrain component sales are recorded in automotive sales revenue and during the years ended December 31, 2010 and 2009, we recognized revenue of \$21.1 million and \$0.4 million, respectively. During the year ended December 31, 2010, we received total

payments from Daimler in the amount of \$18.3 million. As of December 31, 2010 and 2009, there were amounts receivable of \$3.2 million and \$0.4 million, respectively, from Daimler related to the sales of powertrain components.

Daimler A-Class Program

During the three months ended March 31, 2010, Daimler also engaged us to assist with the development and production of a battery pack and charger for a pilot fleet of its A-Class electric vehicles to be introduced in Europe during 2011. We began providing development services for this program during the three months ended March 31, 2010 and had received an aggregate of \$5.5 million in payments; however, as we had not executed a final agreement related to this program as of March 31, 2010, we deferred the \$5.5 million of payments that had been received from Daimler to that point. In May 2010, we executed a final agreement under which Daimler would make additional payments to us for the successful completion of certain development milestones and the delivery of prototype samples. As of December 31, 2010, all development work related to the development agreement had been completed, and we had recognized the full \$14.4 million under the development agreement. During the year ended December 31, 2010, we received total payments from Daimler in the amount of \$14.4 million. As of December 31, 2010, there were no amounts receivable from Daimler related to this agreement.

Costs of development services incurred prior to the finalization of the A-Class agreement were recorded as research and development expenses. During the three months ended March 31, 2010, we recorded \$0.5 million of such costs in research and development.

Toyota Motor Corporation

In July 2010, concurrent with the closing of our IPO, we sold 2,941,176 shares of our common stock to Toyota at a price per share equal to the IPO price, in a private placement transaction pursuant to which we received proceeds of \$50.0 million. As we are providing development services to Toyota, these transactions are considered related party transactions.

Toyota RAV4 Program

In July 2010, we and Toyota entered into a Phase 0 agreement to initiate development of an electric powertrain for the Toyota RAV4. Under this early phase development agreement, prototypes would be made by us by combining the Toyota RAV4 model with a Tesla electric powertrain. We began producing and delivering prototypes to Toyota during the three months ended September 30, 2010. Pursuant to the agreement, Toyota will pay us up to \$9 million for the anticipated development services to be provided by us and during the year ended December 31, 2010, we recognized \$1.0 million in development services revenue. During the year ended December 31, 2010, we received total payments from Toyota of \$0.5 million. As of December 31, 2010, there were amounts receivable of \$0.5 million from Toyota related to this agreement.

In October 2010, we entered into a Phase 1 contract services agreement with Toyota for the development of a validated powertrain system, including a battery, power electronics module, motor, gearbox and associated software, which will be integrated into an electric vehicle version of the Toyota RAV4. Pursuant to the agreement, Toyota will pay us up to \$60.0 million for the successful completion of certain development milestones and the delivery of prototype samples, including a \$5.0 million upfront payment that we received upon the execution of the agreement. During the year ended December 31, 2010, we recognized \$3.3 million in development services revenue. As of December 31, 2010, we had deferred \$4.0 million of the upfront payment in deferred revenues. During the year ended December 31, 2010, we

received total payments from Toyota of \$5.0 million and as of December 31, 2010, there were amounts receivable of \$2.3 million from Toyota related to this agreement.

Panasonic Corporation

In November 2010, we sold 1,418,573 shares of our common stock to Panasonic at a price of \$21.15 per share, which was the average of the trading highs and lows of our common stock from October 25 to October 29, 2010. As we are purchasing battery cells from Panasonic and its subsidiaries, these transactions are considered related party transactions. During the year ended December 31, 2010, we made total payments to Panasonic and its subsidiaries of \$23.0 million and as of December 31, 2010, there were amounts payable or accrued of \$2.3 million to Panasonic.

14. Commitments and Contingencies

Operating Leases

Our corporate headquarters and powertrain production operations are based in Palo Alto, California where we have leased a facility consisting of 350,000 square feet. This lease expires in January 2016. We also lease office space under non-cancelable operating leases with various expiration dates through December 2022. Rent expense for the years ended December 31, 2010, 2009 and 2008, was \$6.3 million, \$3.2 million, and \$1.5 million, respectively.

Capital Leases

We have entered into various agreements to lease equipment under capital leases over terms between 36 and 60 months. The equipment under the leases are collateral for the lease obligations and are included within property, plant and equipment, net, on the consolidated balance sheets under the categories of computer equipment and software and office furniture and equipment.

Future minimum commitments for leases as of December 31, 2010 are as follows (in thousands):

	perating Leases	1	Capital Leases
2011	\$ 6,793	\$	318
2012	6,625		286
2013	6,561		219
2014	6,431		
2015 and thereafter	 27,021		
Total minimum lease payments	\$ 53,431		823
Less: Amounts representing interest not yet incurred			48
Present value of capital lease obligations			775
Less: Current portion	 		279
Long-term portion of capital lease obligations		\$	496

Pursuant to a supply agreement with Lotus Cars Limited, we are required to purchase a minimum of 2,400 partially assembled vehicles or gliders over the term of the agreement regardless of whether we are able to market and distribute the Tesla Roadster. Based on the foreign exchange rate for the British Pound as of December 31, 2010 and the most recent price per vehicle, the estimated obligation for the remaining purchase is approximately \$15 million which will occur through January 2012.

In May 2010, we entered into an agreement to purchase an existing automobile production facility located in Fremont, California from NUMMI (see Note 4). NUMMI has previously identified environmental conditions at the Fremont site which affect soil and groundwater, and is currently undertaking efforts to address these conditions. Although we have been advised by NUMMI that it has documented and managed the environmental issues, we have not yet performed an in-depth environmental assessment on this facility, and we cannot determine the potential costs to remediate any pre-existing contamination with any certainty at this time. Based on management's best estimate, we estimated the fair value of the environmental liabilities that we assumed to be \$5.3 million. The fair value of these liabilities was determined based on an expected value analysis of the related potential costs to investigate, remediate and manage various environmental conditions that were identified as part of NUMMI's facility decommissioning activities as well as our own diligence efforts. As NUMMI continues with its decommissioning activities and we continue with our planned construction and operating activities, it is reasonably possible that our estimate of environmental liabilities may change materially.

We have reached an agreement with NUMMI under which, over a ten year period, we will pay the first \$15.0 million of any costs of any governmentally-required remediation activities for contamination that existed prior to the completion of the facility and land purchase for any known or unknown environmental conditions, and NUMMI has agreed to pay the next \$15.0 million for such remediation activities. Our agreement provides, in part, that NUMMI will pay up to the first \$15.0 million on our behalf if such expenses are incurred in the first four years of our agreement, subject to our reimbursement of such costs on the fourth anniversary date of the closing.

On the ten-year anniversary of the closing or whenever \$30.0 million has been spent on the remediation activities, whichever comes first, NUMMI's liability to us with respect to remediation activities ceases, and we are responsible for any and all environmental conditions at the Fremont site. At that point in time, we have agreed to indemnify, defend, and hold harmless NUMMI from all liability and we have released NUMMI for any known or unknown claims except for NUMMI's obligations for representations and warranties under the agreement. As of December 31, 2010, we have accrued \$5.3 million related to these environmental liabilities (see Note 4).

15. Subsequent Events

DOE Loan Facility Draw-Down

In February 2011, we received additional loans under the DOE Loan Facility for \$15.6 million at interest rates ranging from 2.6% to 3.0%.

16. Quarterly Results of Operations (Unaudited)

The following table includes selected quarterly results of operations data for the years ended December 31, 2010 and 2009 (in thousands, except per share data):

			Three mo	nths (ended		
	Ŋ	Jarch 31	 June 30	Sep	tember 30	De	cember 31
2010							
Total revenues	\$	20,812 3,852 (29,519) (4.04)	\$ 28,405 6,261 (38,517) (5.04)	\$.	31,241 9,296 (34,935) (0.38)	\$	36,286 11,321 (51,358) (0.54)
2009			•				
Total revenues	\$	20,886 (2,046) (16,016) (2.31)	\$ 26,945 2,101 (10,867) (1.56)	\$	45,527 7,699 (4,615) (0.66)	\$	18,585 1,781 (24,242) (3,43)

Exhibit 8.1(c)(ii)

	Unardited	Consolidating	Financial		for 2010		
		Consolidating	THIAIICIAL S	statements.	101 2010		
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Testa Motors, Inc.
Consolicating Balance Sheet
As of December 31, 2010
(Unaudited)
(In thousands) Exhibit 3.1(d)(i)

Commission (1997)

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The Company believes in good faith that the unauchind financial statements herein faith present the financial results of the Company as of the date indicated herein.

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3,818 \$

CONFIDENTIAL - This document was developed in private expenses and includes trade secrets and commencial or frauch information, or both, that Tools Metors, his Tools Metors, on considere privileged, confedential and exemply from disciscure updat for Freedom of Information Act (5 6.3 5 52(0)).

Exhibit 8.1(d)())
Testa Motors, Inc.
Consolidating Statement of Operation

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For the Twelve Montes Ended December 34, 2010
(Upandree)

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Total revenues	51,811	t6	B.529	2 233	420	1.102	1.568	758 115,118	118	992	3,863	1,246	163	33	4341	(108,901)	116,744	
Conditioners。 1925年中国中国的国际国际国际国际国际国际国际国际国际国际国际国际国际国际国际国际国际国		THE REPORT OF	STEED STEEDS	To a second						以和新公司的					ALTERNATION OF THE PERSON OF T	音が発音	ALCO RESERVING SPAN	
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Tatal cost of revenues	41,387	(51)	6.576	752	16.6	999	1,270	94	94,179		2.04	1,024	Œ		3771	(85),(58)	86,013	
Gross profit (loss)	10.544	6	2 059	- 44	ž	98	7/8	140 21	21,939	346	1,448	2	150	32	570	(8,943)	30,731	
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The Company bolleves in good faith that the unawofized financial statements havein faith sersent the financial moults of the data included bet

Exhibit 8.1(c)(iv)

Audit Report from PwC

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Tesla Motors, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of convertible preferred stock and stockholders' equity (deficit) and of each flows present fairly, in all material respects, the financial position of Tesla Motors, Inc. and its subsidiaries at December 31, 2010 and December 31, 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Pricuntations Corpus CCP

PricewaterhouseCoopers LLP San Jose, California March 2, 2011

Exhibit 8.1(c)(v)

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March 2, 2011

PricewaterhouseCoopers LLP Ten Almaden Boulevard Suite 1600 San Jose, CA 95113

We are providing this letter in connection with your audits of the consolidated financial statements of Tesla Motors, Inc. (the "Company") as of December 31, 2010 and December 31, 2009 and for each of the three years in the period ended December 31, 2010 for the purpose of expressing an opinion as to whether such consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Tesla Motors, Inc. in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the consolidated financial statements of financial position, results of operations, and of cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies.

Certain representations in this letter are described as being limited to those matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. Materiality used for purposes of this letter is \$2,000,000.

We confirm, to the best of our knowledge and belief, as of March 2, 2011, the date of your report, the following representations made to you during your audits:

- 1. The consolidated financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Company is subject. We have prepared the Company's consolidated financial statements on the basis that the Company is able to continue as a going concern, including to meet its obligations in the ordinary course of business, and we are not aware of any significant information to the contrary.
- We have made available to you:
 - a. All financial records and related data.
 - Unconditional access to persons within the entity from whom you have requested audit evidence.
 - c. All minutes of the meetings of stockholders, directors, and audit or other committees of directors and summaries of actions of recent meetings for which minutes have not yet been prepared. The most recent meetings held were: Board of Directors December 1, 2010 and the Audit Committee on February 23, 2011.

- 3. We have appropriately reconciled our books and records (e.g., general ledger accounts) underlying the consolidated financial statements to their related supporting information (e.g., subledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the consolidated financial statements, as necessary. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa. All consolidating entries have been properly recorded. All intra-entity accounts have been eliminated or appropriately measured and considered for disclosure in the consolidated financial statements.
- 4. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 5. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the consolidated financial statements.
- We are not aware of any significant deficiencies in the design or operation of internal control over financial reporting.
- We acknowledge our responsibility for the design and implementation of programs and controls to
 provide reasonable assurance that fraud is prevented and detected.
- 8. We have no knowledge of any fraud or suspected fraud affecting the Company involving:
 - a. Management,
 - b. Employees who have significant roles in internal control over financial reporting, or
 - Others where the fraud could have a material effect on the consolidated financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, short sellers, or others.

(As to items 7, 8 and 9, we understand the term "fraud" to mean those matters described in Statement on Audiling Standards No. 99.)

- 10. There have been no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the consolidated financial statements or as a basis for recording a loss contingency.
- The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- The following, if material, have been properly recorded or disclosed in the consolidated financial statements:
 - a. Relationships and transactions with related parties, as described in Accounting Standards Codification (ASC) 850, Related Perty Disclosures, including sales, purchases, loans, transfers, leasing arrangements, and guarantées, and amounts receivable from or payable to related parties.

- b. Guarantees, whether written or oral, under which the Company is contingently liable.
- c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with ASC 275, Risks and Uncertainties, 275-10-50. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
- 13. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the consolidated financial statements.
- 14. The Company has complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
- 15. We confirm that our assessment of the residual value ascribed to the leased Roadsters is representative of the minimum amounts that could be recovered from the sale of those cars at the expiration of their lease terms. We have based our assumptions on the second hand value of comparable luxury sports cars as we do not have a history of selling second hand Roadsters.
- 16. We consistently applied our policy regarding classification of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that there is insignificant risk of changes in value due to interest rate or other credit risk changes.
- 17. We have properly disclosed the carrying amount and classification of restricted cash. Restricted cash represents amounts restricted in connection with requirements under the DoE loan facility, security held by a vendor as part of the vendor's standard credit policies, security deposits related to lease agreements and equipment financing, as well as certain refundable reservation payments segregated for regulatory purposes. Based on cost forecasts, we believe that the amount restricted in connection with the DoE loan will be classified to operating cash within the next 12 months. During the year ended December 31, 2010, we transferred an amount of \$26.4 million to operating cash. We confirm that transfer was in accordance with terms of the loan agreement.
- 18. Receivables recorded in the consolidated financial statements represent bona fide claims against debtors for sales or other charges arising on or before the balance sheet dates and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts which are collectible after one year. All receivables have been appropriately reduced to their estimated net realizable value.
- 19. Inventories recorded in the consolidated financial statements are stated at the lower of cost or market, cost being determined on the basis of FIFO and due provision was made to reduce all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values. Inventory quantities at the balance sheet dates were determined from physical counts or from perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at December 17, 2010. Liabilities for amounts unpaid are recorded for all items included in inventories at balance sheet dates and all quantities billed to customers at those dates are excluded from the inventory balances.
- 20. All costs that have been deferred to future periods in relation to the Toyota RAV4 prototype units to be delivered under the Phase 0 contract with Toyota meet the definition of an asset as defined in the Statement of Financial Accounting Concepts No. 6, Elements of Financial Statements (CON 6), and are recoverable.

- 21. All liabilities of the Company of which we are aware are included in the consolidated financial statements at the balance sheet dates. There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450, Contingencies, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Topic.
 - 22. No provisions are required for losses to be sustained as a result of purchase commitments for inventory at prices in excess of prevailing market prices.
 - 23. Reservation payments as of December 31, 2010 and December 31, 2009 consist of deposits received for cars not yet delivered and are accounted for as a liability. All amounts received as deposits and not refunded or applied to the sale of a vehicle have been included in reservation payments at the dates indicated.
 - 24. The Company has not violated any covenants relating to the loan from the Department of Energy ("DoE") during any of the periods presented, and we disclosed to you all covenants and information related to how we determined compliance with the covenants.
 - 25. We are responsible for all significant estimates and judgments affecting the consolidated financial statements. Significant estimates and judgments and their underlying assumptions, methods, procedures and the source and reliability of supporting data are reasonable and based on applicable guidance, and are appropriately disclosed in the consolidated financial statements. The procedures and methods utilized in developing assumptions, estimates and judgments are appropriate and have been consistently applied in the periods presented.
 - 26. We confirm that the inputs used to measure the fair value of the warrants as at December 31, 2010 issued to the DoE under the loan agreement are reasonable. We confirm that the risk free interest rate of 3.67%, equity volatility of 55% and the credit spread of 400 bps are representative of conditions that apply to companies of similar size, industry positioning and financial health as Tesla, where relevant, obtained as at or near December 31, 2010. We also confirm that the discount rate used in the valuation is representative of the cost of capital available to the Company.
 - 27. We recorded a liability related to probable environmental remediation obligations that we assumed as part of the Fremont facility that was acquired in October 2010. We believe that the amount recorded is representative of the fair value of such liability and is based on available information to the best of our knowledge. We are not aware of any matters resulting from the decommissioning of this facility by its predecessor owners that would have a material impact on the fair-value of the liability. Related-loss contingencies and the expected outcome of uncertainties have been adequately disclosed in the consolidated financial statements in accordance with ASC 410, Asset Relirement and Environmental Obligations, 410-30.
 - 28. Warranty provision and liability are estimated based on historical activity and judgment. The liability represents our best estimate of future obligations related to revenue recognized in the periods presented.
 - 29. Assets and liabilities were measured both on a recurring and nonrecurring basis at fair value in accordance with ASC 820, Fair Value Measurements and Disclosures (ASC 820). The valuation was determined using an acceptable methodology applied on a consistent basis and taking into account reasonable assumptions, including highest and best use, non-performance risk and credit and liquidity risk adjustments. We classified and disclosed financial assets and liabilities in the consolidated financial statements as Level 1, Level 2 and Level 3 in accordance with ASC 820, including a description of inputs and information used to develop valuation techniques as well as facts that required a change to such techniques.

- 30. The unaudited interim financial information has been prepared and presented in conformity with GAAP applicable to interim financial information and with item 302(a) of Regulation S-K. The unaudited quarterly financial information for the year ended December 31, 2010 also has been prepared on a basis consistent with the corresponding interim periods for the year ended December 31, 2009 and, to the degree appropriate, with the consolidated financial statements for the years ended December 31, 2010 and December 31, 2009. The unaudited interim-financial information for the three months ended December 31, 2010 and December 31, 2009 does not include any material amount of year-end adjustments that have not been disclosed or any material amounts that should have been included in earlier interim periods of the respective fiscal years.
- 31. The Company does not have outstanding a past-due share of its accounting support fees collectible by the Public Company Accounting Oversight Board.
- 32. Shipping and handling fees and costs are appropriately recorded in accordance with ASC 605, Accounting for Shipping and Handling Fees and Costs. We have elected a consistent policy of classifying these amounts as revenue and cost.
- We did not enter into any side letters or agreements (written or oral) in connection with sales agreements.
- 34. We provided you with complete customer contract files (Including all purchase orders, contracts, letter agreements, sales offers, shipping documents and other correspondence) for all customers for which you requested such documentation.
- 35. We recognize revenue in accordance with ASC 605-10, Revenue Recognition. We disclosed to you all sales terms (whether written or oral), including all customer-acceptance provisions, rights of return or price adjustments and all warranty provisions. As part of evaluating the delivery criteria for revenue recognition, we specifically considered the impact of any continuing involvement. We identified and accounted for development arrangements entered in to during the year with (b) (4) (b) (4) involving multiple deliverables in accordance with ASC 605, Revenue Recognition (ASC 605), 605-25, Multiple-Element Arrangements. For these arrangements, we have properly: (b) (4)

- 36. We allocated non-contingent arrangement consideration at the inception of the arrangement to all deliverables (units of accounting) based on their relative selling price. When applying the relative selling price method:
 - The selling price for each deliverable was determined using vendor-specific objective evidence (VSOE) of selling price.
 - in determining whether VSOE of selling price existed, we considered all information that was reasonably available without undue cost and effort. We have provided you with all the information we used in determining VSOE of selling price.
 - III. We determined the best estimate of selling price in a manner consistent with the objective of determining VSOE of selling price for the deliverable, including consideration of market conditions and entity-specific factors. We believe that the best estimate of selling price is the price at which the Company would transact if the deliverable was sold regularly on a stand-alone basis. We have provided you with all information we used in determining the best estimate of selling price.
- 37. We assume responsibility for the findings of specialists. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias first work, and we are not aware of any matters that have had an impact on the independence or objectivity of the specialists. We adequately considered qualifications of the specialists in determining the amounts and disclosures used in the consolidated financial statements and underlying accounting records related to fair value assessments relating to land and buildings acquired during the year, environmental liabilities and stock warrants.
- 38. We properly and consistently applied accounting policies for the provisions of ASC 718, Compensation-Stock Compensation (ASC 718), including requisite service period, attribution method, forfeiture rate assumption and the classification of awards as equity or a liability, and presented windfall tax benefits in the cash flow statement as financing inflows.
- 39. The fair value of share-based awards was determined using an acceptable model and reasonable assumptions in accordance with ASC 718 and SAB 107, Share-Based Payment, as amended by Topic 14 (SAB 107 and SAB 110),
- 40. In December 2009, we Issued 3,355,986 options to our Chief Executive Officer and in June 2010 and September 2010 we Issued 666,300 and 20,000 options respectively, to various members of the senior management of the Company. All these options vest based on the achievement of certain performance milestones. As at December 31, 2010, we determined that all four milestones are probable of being achieved, with the third and fourth milestones being deemed probable as a result of the completion of the milestone for the alpha prototype. We have recognized stock-based compensation expense accordingly.
- 41. We have determined the grant date of stock-based compensation awards to be the date when (1) we have a mutual understanding of the key terms and conditions of the award with the employee, (2) we are obligated to issue shares or transfer assets to employees who fulfill their vesting requirement, (3) the employee begins to be affected by the subsequent changes in the price of the stock, and (4) the award has been approved by the board of directors of the Company in accordance with ASC 718, Stock Compensation. We have a mutual understanding of the key terms and conditions of the award with the employee on the date when the award has been approved by board of directors of the Company and (1) the recipient of the award no longer has the ability to negotiate the key terms and conditions of the award, and (2) the key terms and conditions of the award will be communicated to

the recipient in a relatively short time period from the approval date in accordance with FASB Staff Position ASC 718, Stock Compensation.

- 42. We established a deferred tax asset valuation allowance in accordance with the provisions of ASC 740, Income Taxes (ASC 740). Based on the weight of the available evidence, the valuation allowance is adequate to reduce the total deferred tax asset to an amount that will, more-likely-thannot, be realized.
- 43. We disclosed in the consolidated financial statements and advised you of all significant tax positions for which it is reasonably possible the amount of unrecognized tax benefit will either increase or decrease in the next twelve months. We recognized changes in recognition and measurement of uncertain tax positions in the period to which they relate, including the interim period, and disclosed in the consolidated financial statements all individually significant changes in uncertain tax positions, even if the net amount of all such changes was insignificant. We recognized and measured all uncertain tax positions in accordance with ASC 740. We provided you access to all information related to significant uncertain income tax positions that we have taken or expect to take, including all related opinions and analyses.
- 44. We have not recognized deferred tax liabilities for undistributed earnings of any of our foreign subsidiaries because such amounts have been indefinitely reinvested. We provided you with support for specific plans and other evidence that support the assertion that we intend to reinvest these undistributed earnings indefinitely
- 45. We provided you with all information related to significant income tax uncertainties of which we are aware. We also provided you with access to all opinions and analyses that relate to positions we have taken regarding significant income tax matters. According to our records, the following is a complete listing of positions identified as potentially material uncertain tax positions:
 - a. Federal and State (California) Research and Development tax credits
 - b. Federal Net Operating Losses
- 46. We evaluated the requirements of ASC 280, Segment Reporting, and determined that we only have a single reportable segment since the Chief Operating Decision Maker, who is our CEO reviews the Company's financial and operating results at a consolidated level and does not review any information or make any decisions at a lower level than at an overall Company level.

47. We consider the functional currency for the parent company and for all our subsidiaries to be the US dollar in accordance with ASC 830, Foreign Currency Matters.

To the best of our knowledge and i	pellet, no events have occurred subsequent to the balance sheet date
and through the date of this letter ti	nat would require adjustment to or disclosure in the aforementioned
consolidated financial statements.	

Elon Musk, President and Chief Executive Officer

Deepak Ahuja, Chlof Financial Officer

Exhibit 8.1(c)(vi)

	No Default Letter from I	<u>PwC</u>	
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		·	



Report of Independent Registered Public Accounting Firm

To Tesla Motors, Inc.:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Tesla Motors, Inc. as of December 31, 2010 and the related consolidated statements of operations, of convertible preferred stock and stockholders' equity (deficit) and of cash flows for the year then ended, and have issued our report thereon dated March 2, 2011.

In connection with our audit, nothing came to our attention that caused us to believe that the Company failed to comply with the terms, covenants, provisions, or conditions of Phase A under Annex 9.1 of the Indenture dated January 20, 2010 with United States Department of Energy insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the board of directors and management of Tesla Motors, Inc. and United States Department of Energy and is not intended to be and should not be used by anyone other than these specified parties.

PViCumulunus Cherus UP
Pricewaterhouse Coopers LLP

March 2, 2011

Exhi	ibit	8.1	(d))(iii)	į
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Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to	Annex 9.1	(c)	(i)
------------------	-----------	-----	-----

Total current assets as of December 31, 2010	\$235,887,000		
Total current liabilities as of December 31, 20	\$54,809,000		Covenant
Current ratio as of December 31, 2010	4.30	>	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)			
Cash balance as of December 31, 2010	\$99,558,000		Covenant Requirement
Cash balance as of December 31, 2010	φ99,558,000		\$15,000,000
_		_	\$2,006,319 Interest Expense Annualized
Total Pro Forma Cash Balance	\$99,558,000	> -	\$17,006,319

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):
 Excess Equity Proceeds Amount as of last day of \$164 MM

2. Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):

3. Difference between Lines 1 and 2: \$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Deepak Ahuja [(b) (6)

Sent:

Tuesday, May 17, 2011 5:24 PM Mates, Michael

To:

Cc: Subject: Mike Taylor; Tom vonReichbauer; Zachary Kirkhorn DOE Quarterly Financials and Report for Q1 2011

Attachments:

Tesla - DOE Quarterly Compliance Certificate Q1 2011 (110517).pdf; Quarterly Progress Report Q1 2011 (110517).pdf; Exhibit A - Tesla Motors Status Report Q1 2011.pdf; Exhibit B -

Tesla AUP - Feb 2011.zip

Mike,

Please find attached our Quarterly Financials and Quarterly Report for Q1 2011. The documents included are:

- 1. Quarterly Financials "Tesla DOE Quarterly Compliance Certificate Q1 2011 (110517).pdf"
- 2. Quarterly Report Main Document "Quarterly Progress Report Q1 2011 (110517).pdf"
- 3. Exhibit A Quarterly Progress Report and Revised Business Plan Information
- 4. Exhibit B Agreed Upon Proceedures Report for September, October, November, and December 2010.

Please let me know if you have any guestions. Thanks.

Deepak Ahuja (b) (6)

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: May 17, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2011, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to <u>Section 8.1(d)(iv)</u> of the Arrangement Agreement, <u>Exhibit 8.1(d)(iv)</u> attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By: Name: NEEPAL AMUSA

Title: CPU

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheets As of March 31, 2011 and December 31, 2010 (In thousands)

	· · · · ·	Mar-11		Dec-10
Assets	(Ur	naudited)		
Current Assets				
Cash and cash equivalents	\$	100,655	\$	99,558
Restricted dash		42,943		- 73,597
Accounts receivable	oraniena eraz	20,260		6,710
_Inventory	e e Terr	50,823		45,182
Prepaid expenses and other current assets	O Completo de Care	12,225		10,839
Total current assets		226,906	4 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	235,886
Operating lease vehicles, net		9,141		7,963
Property and equipment, net		143,372		114,636
Restricted cash	mini Kartes steet	4,934		4,867
Other assots — — — — — — — — — — — — — — — — — — —		22,936		22,730
Total assets	<u>\$</u>	407,289	\$	386,082
Liabilities and Stockholders' Equity (Deficit)				
Current Liabilities				
Accounts payable ——		49 660	S 5-4	- 28.951
Accrued liabilities	Brand Control	19.809		20.945
		3,820		4,635
Capital lease obligations, current portion	Consider the Constant	275	Allen Arthur	279
Reservation payments		39,412		30 755
Total current liabilities	The Paris Lines	112,976	The State State of	85,565
Total current habilities		112,976		69,903
Gommon stock warrant liability	.6252	7,509		6,088
Capital lease obligations, less current portion	Mark Same (Alleys)	421	. == 4.40	496
Deferred revenue, less current portion	7711	3,089		2,783
Long-term debt	Control Stratistics	102,484	1577 3577 (1995	71,828
Other long-term liabilities	established (Con-	13 072		12,274
Total liabilities		239,551		179,034
Stockholders' equity (deficit)				
Common stock		96		95
Additional paid-in capital	Control of Control (CE)	631,564		621,935
Accumulated deficit.		(463,922)		(414,982)
	ninasa sasa	See Koke	دستزيري	**************************************
Total stockholders' equity (deticit)	A PARTY OF	167,738		207-048
Total liabilities and stockholders, equity (deficit)	\$	407 289	\$	386,082

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations (in thousands)

Three months ended March 31,

	2011	2010
	(Unaudited)	(Unaudited)
Revenue	, ,	
Automotive sales	\$ == 33,628=	\$ 20,585
Development services	=-1 <u>5,402</u>	227
Total revenues	49,030	====20 ₁ 812
Cost of revenues		
EAutomotive	26,961	<u>=16,858</u>
Development services	75, 4,041	102
Total cost of revenues	31,002	Ess. =16,960
Gross profit	8,028	3,852
Operating eveness		
Operating expenses Research & development	41,162	== 13,265-1
Selling, general and administrative	2 4,212	- 16,58b
Total operating expenses	65,374	29,850
Operating loss	(47,346)	(25,998)
Interest income		48
Interest expense		(230)
-Other expense	- (1,485)	(3;221):
Pre-tax loss	(48,791)	(29,401)
TeX	<u> </u>	= : 1 <u>18</u>
Net Joss	\$ (48,941)	\$ (29,519)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

Three months ended

	Title Indiana	:11000
	March 31,	
graduation and the second seco	2011	2010
	(Unaudited)	(Unaudited)
Cash flows from Operating activities	(Onaudited)	(Ottendired)
• • •		
Net loss \$	(48,941) \$	(29,519)
Adjustments to reconcile net loss to net cash		
used in provided by operating activities:		
Depreciation and amortization	3,517	2 41
Change in fair value of warrant flabilities	1,421	2,332
Stock based compensation	5,926	- 3,387
Loss on abandonment of fixed assets	11	
Inventory-writedowns	383	1410
Changes in operating assets and liabilities:		
Accounts receivable	(13,550)	(2,449)
Inventory	(5,481)	(5,507)
- Prepaid expenses and other current assets	(1,423)	(316)
Operating lease assets	(1,482)	-
Other assets —	(366)	253
Accounts payable and accrued liabilities	7,742	(3,507)
Deferred development compensation		(166)
Deferred revenue	(509)	5,521
Reservation payments	8,657	(59)
Other long-term liabilities	798	403
Net cash used in operating activities	(43, <u>297)</u> = -	(27,329)
Cash flows from Investing activities		
Purchases of property and equipment, excluding capital leases	(20,476)	(5,472)
Decrease in restricted cash in dedicated DoE account	30,654	-
Decrease (Increase) in other restricted cash	(67)	(3,907)
Net cash provided by (used in) investing activities	10,111	(9,379)
Cash flows from Financing activities		
Proceeds from Issuance of holes payable	30,656	29,920
Proceeds from exercise of stock options and ESPP	3,706	358
Principal payments on capital leases and other debt	(79)	(77)
Deferred common stock and loan facility issuance costs		(1,574)
Net cash provided by financing activities	34,283	28,627
increase (decrease) in cash and cash equivalents	1,097	(8,082)
Cash and cash equivalents; beginning of period ==	90,558	69,627
Cash and cash equivalents, and of period	100,655 \$.61,545

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Stockholders' Equity (Deficit)
For the Three Months Ended March 31, 2011
(Unaudited)
(in thousands)

	Commo	ı Stock	Additional Paid-In	Accumulated	Total Stockholders' Equity
	Shares	Amount	Capital	<u>Deficit</u>	(Deficit)
Balance as of December 31, 2010	94,908,370	\$ 11 195	\$ 621,935	\$ (414,982)	\$ 207,048
Issuance of common stock related to stock option exercises and ESPI		1	3,703	CHETTARISECAPÄRPATTAGE CHETTARISECTATATATATATATATATATATATATATATATATATATA	3,704
Stock-based compensation			5,926		5,926
Net loss	95.554.840	\$ 96	\$ 631,564	(48,941) \$ (463,922)	(48,941) \$ 167,738
Balance as of March 31, 2011	30,004,040	ф <u>30</u>	φ 031,30 4	ψ (403,322)	φ 107,730

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period

Exhibit B.f(d)(I)

Testa Motors, inc. Consolidatina Salattee Sheet As of March 31, 2011 (Una utilitie) (In thousands)

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100 4,173 5 257 5 The Company believes in good felth that the unsudded financial statements herein fairly present the financial results of the Company as of the deta incliented hardin 3,973 5 1867 5 7 5 1744 3 2,577 5 8,404 5 478,433 5 135 \$ 14,361 5 Total Dath; lies, convenible preferred acork and stockholders aguity (defice)

407,285

1,719 5

1,133 5

Exhibit 8.1(d)[i)

Testa Motors, Inc.
Corsolidating Statement of Operations
of or the Three Neetle Ended March 51, 2011
(Unsudincia)

(Notationals III)			
DK [Tahaan Gernany Monage Austrolie Source, Source of States of States	Sn.	Table	Consol (lated Total
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Total revisions 1745 1394 1759 579 579	45.03	1,645 7360 625-4977	020
Cont of recents			(1) 10 10 10 10 10 10 10 10 10 10 10 10 10
			MENTER STREET
Total expt of reviewus 17,359 1,511 4,59	3/68	1,178	200 (6
Gross profit (less) 25 268 39 25 101	101	257 358 (1) 63 380	19,028
			THE STATE OF THE S
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Pro-Tax (neemo (loss) (3.994) (3.994) (3.994) (3.995) (3.997) (3.997) (3.997) (3.997) (3.997) (3.997)	85 (42,540) (259)	(493) (357) (81) 207	(48,781)
		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	
Not income (less) \$ (5.591) \$	83 5 (43,388) 5 (234) 2	78 (285) \$ (77) \$ (283) \$ (285)	\$ (48,941)

The Company before it good faith that the unaudited financial statements herein faity present the francial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of March 31, 2011	\$226,906,000	
Total current liabilities as of March 31, 2011	\$73,564,000	Covenant
Current ratio as of March 31, 2011	3.08 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		O
Cash balance as of March 31, 2011	\$100,655,000	Covenant Requirement \$15,000,000
Total Pro Forma Cash Balance	\$100,655,000 >	\$2,863,740 Interest Expense Annualized \$17,863,740

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Sent:

Zachary Kirkhorn (b) (6) Wednesday, June 01, 2011 2:53 PM Mates, Michael

To:

Cc:

Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer

Subject:

Tesla Motors Financial Statements for April 2011

Attachments:

Tesla - DOE Monthly Compliance Certificate Apr 2011 (2011-06-01) pdf

Mike -

Attached please find the Tesla Motors financial statements for April 2011 and the accompanying compliance certificate.

Thanks, Zach

Zach Kirkhorn | Operations Finance (b) (6)

3500 Deer Creek Rd., Palo Alto, CA 94304 | tel(b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: June 1, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of April 30, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF,	the undersigned has	executed this	Compliance	Certificate	as of t	he
date first written above.						

TESLA MOTORS, INC.

By: Marja
Name: Deepak Ahuja
Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of April 30, 2011 (In thousands)

	Apr-11
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	99 136
Restricted cash	34,207
Accounts receivable, net	10,956
Inventory	52,051
Prepaid expenses and other current assets	10,707
Total current assets	207,057
Operating lease vehicles, het	9,544
Property and equipment, net	151,446
Restricted cash	5,039
Other assets	22,969
Total assets	\$ 396,055
(A)	Ψ
Liabilities and Stockholders' Equity (Deficit)	
Current Liabilities	
Accounts payable	\$ 42,189
Accrued liabilities	18,436
Deferred revenue	3,639
Capital lease obligations, current portion	264
Refundable reservation payments	43,902
Total current liabilities	108,430
Total outless samules	100,700
Common stock warrant liability	7,509
Capital lease obligations, less current portion	404
⊒Long-(erm debt=	111,221
Deferred revenue, less current portion	3,128
Other long term liabilities	48,141
Total liabilities	243,833
Stockholders' equity (deficit)	
Common stock	96
Additional paid in capital	634,109
Accumulated deficit	(481,983)
	2 TO SET 1-1 STATE OF THE PROPERTY OF THE PARTY OF THE PA
Total stockholders' equity (deficit)	152,222
Western Line Land Control of the Con	
Total liabilities and stockholders' equity (deficit)	\$ 396,055

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and four Months ended April 30, 2011 (In thousands)

Total revenues		Apr-11	YTO 2011
Automotive sales	'	(Unaudited)	(Unaudited)
Development services			
Total revenues	Automotive sales	\$ 7,597	\$ 41,225 ;
Cost of revenues 5,809 32,771 Automotive 5,809 32,771 Development services 3,236 7,276 Total cost of revenues 9,045 40,047 Gross profit 2,132 20,160 Operating expenses 13,280 54,443 Selling, general and administrative 6,956 31,167 Total operating expenses 20,236 85,610 Operating loss (18,104) (65,450) Interest income 10 50 Interest expense (247) (247) Other income (expense) 280 (1,205) Pre-tax loss (18,061) (66,852)	Development services	3,580	18,982
Automotive	Total revenues	11,1 <i>71</i>	60,207
Development services	Cost of revenues		
Total cost-of revenues 9,045 40,047 Gross profit 2,132 20,160 Operating expenses Research & development 13,280 54,443 Selling, general and administrative 6,956 31,167 Total operating expenses 20,236 85,610 Operating loss (18,104) (65,450) Interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)	Automotive	5,809=	32,77 1
Gross profit 2,132 20,160 Operating expenses 13,280 54,443 Selling general and administrative 56,956 31,167 Total operating expenses 20,236 85,610 Operating loss (18,104) (65,450) Interest income interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)	Development services	3,236	7,276
Operating expenses 13,280 54,443 Selling general and administrative 6,956 31,167 Total operating expenses 20,236 85,610 Operating loss (18,104) (65,450) Interest income 10 50 Interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)	Total cost of revenues.	9,045	40,047
Research & development 13,280 54,443 Selling general and administrative 6,956 31,167 Total operating expenses 20,236 85,610 Operating loss (18,104) (65,450) Interest income 10 50 Interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)	Gross profit	2,132	20,160
Research & development 13,280 54,443 Selling general and administrative 6,956 31,167 Total operating expenses 20,236 85,610 Operating loss (18,104) (65,450) Interest income 10 50 Interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)	Operating expenses		
Total operating expenses 20,235 85,610 Operating loss (18,104) (65,450) Interest income 10 50 Interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)		13,280	54,443
Operating loss (18,104) (65,450) Interest income 10 50. Interest expense (247) (247) Other income (expense) 280 (1,205) Pro-tax loss (18,061) (66,852)	Selling, general and administrative	6,956	31-167
Interest income 10 50 Interest expense (247) (247) Other income (expense) 280 (1;205) Pro-tax loss (18,061) (66,852)	Total operating expenses	20,236	85,610
Interest expense (247) (247) Other income (expense) 280 (1,205) Pre-tax loss (18,061) (66,852)	Operating loss	(18,104)	(65,450)
Other income (expense) 280 (1,205). Pre-tax loss (18,061) (66,852)	Interest income		
Personal Control of the Addition of the Control of	and the propriet of the propriet of the property of the proper	errorena erroren 1866 erroren erroren 1860 erroren 1864 erroren 1864 erroren 1864 erroren 1864 erroren 1864 er	(1,205)
TaX	Pro-tax loss	(18,061)	(66,852)
	Tax		150
Net loss \$ (18,061) \$ (67,002)	Net loss	\$(18,061)	\$(67,002)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month and four Months ended April 30, 2011 (in thousands)

(iii tilododina)	455000000	Apr-11	YTD 2011
		naudited)	(Unaudited)
Cash flows from Operating activities	,0	nadanouj	(Onadanos)
Net loss	\$	(18,061) \$	(67,002)
Adjustments to reconcile net loss to net cash			
used in provided by operating activities:	Annual Control of the Control	40 4-10 10 10 10 10 10 10 10 10 10 10 10 10 1	- New York 2015
Depreciation and amortization	Water File	-1.344	4,861
Change in fair value of warrant liability	Secretary Commence	-	1,421
Stock based compensation		2,169	8,094
Loss on abandonment of fixed assets		-	11
Inventory writedowns			382
Changes in operating assets and liabilities:			
Accounts receivable		9,304	(4,246)
Inventory		(4,567)	(10,048)
Prepaid expenses and other current assets		1,464	41
Operating lease vehicles		(518)	(1,999)
Other assets		(33)	(399)
Accounts payable and accrued liabilities		4,077	11,820
Other long term liabilities		69	867
Deferred revenue		(142)	(651)
Refundable reservation payments		4,490	13,146
Net cash used in operating activities		(404)	(43,702)
Cash flows from Investing activities	anagalaan ja		5006-0 ₀ -0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-
Purchases of properly and equipment, excluding capital leases		(18,831)	(39,307)
Withdrawals out of our dedicated Department of Energy account	<u> </u>	8,736	39,391
Increase (decrease) in restricted cash deposits		(106)	(172)
Net cash used in investing activities		(10,200)	(88)
And there from Phonology activities			
Cash flows from Financing activities			39,392
Proceeds from notes payable Proceeds from Issuance of common stock		8,736 376	4.082
Principal payments on capital leases and other debt		(27)	4,082 (106)
Net cash provided by financing activities		9,085	43,368
Net cash provided by financing activities		9,000	40,000
increase (decrease) in cash and cash equivalents	ZOSENTISE ZERON	(1,519) <u></u>	(422)
Cash and cash equivalents, beginning of period		100,655	99,558
Cash and cash equivalents, end of period	\$	99,136 \$	99,136

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of April 30, 2011	\$207,057,000	
Total current liabilities as of April 30, 2011	\$64,528,000	Covenant Requirement
Current ratio as of April 30, 2011	3.21	> 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of April 30, 2011	\$99,136,000	Requirement \$15,000,000
Total Pro Forma Cash Balance	\$99,136,000	\$3,421,351 Interest Expense Annualized > \$18,421,351

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

First Amendment to Loan Arrangement and Reimbursement Agreement

FIRST AMENDMENT, dated as of June <u>15</u>, 2011 (this "Amendment"), to the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Arrangement Agreement"), between Tesla Motors, Inc. (the "Borrower") and the United States Department of Energy ("DOE"). Unless otherwise defined herein, terms defined in the Arrangement Agreement and used herein shall have the meanings given to them in the Arrangement Agreement.

WHEREAS, the parties to the Arrangement Agreement desire to make amendments to the Arrangement Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. <u>Amendments to the Arrangement Agreement</u>. The Arrangement Agreement is hereby amended, effective as of the Amendment Effective Date (as defined below), as follows:

- (a) Section 8.4 (Other Information). Section 8.4 is hereby amended by:
 - (i) deleting the word "and" at the end of clause (e);
 - (ii) replacing the period at the end of clause (f) with "; and"; and
 - (iii) adding a new clause (g) as follows:
 - "(g) (i) written notice with respect to any noncompliance with applicable federal motor vehicle safety standards or existence of a defect which would reasonably be expected to lead to a general recall for repairs of any of the Borrower's (or its Affiliates') vehicles (x) within 5 Business Days after Borrower (or its Affiliates) determines the existence of such noncompliance or defect, if written notification to federal regulatory authorities is not otherwise required or (y) if written notification of such noncompliance or defect to federal regulatory authorities is required, concurrently with such written notification to the applicable federal regulatory authorities, and (ii) if such recall is to be made, a copy of any proposed press release by Borrower or its Affiliates related thereto as soon as possible after it has been prepared but, in any event, prior to the public release thereof."

(b) <u>Definition of "Cash Equivalents.</u>" The definition of "Cash Equivalents" set forth in Annex A (Definitions) to the Arrangement Agreement is hereby amended by deleting such definition in its entirety and replacing it with the following:

""Cash Equivalents" means any of the following:

- (i) marketable securities that are direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) or obligations the timely payment of principal and interest of which is fully guaranteed by the United States, in each case maturing not more than 360 days from the date of the acquisition thereof;
- (ii) marketable securities that are obligations issued by, or the timely payment of principal and interest is fully guaranteed by, any agency or instrumentality of the United States, the obligations of which are backed by the full faith and credit of the United States, in each case maturing not more than 360 days from the date of the acquisition thereof;
- (iii) marketable securities that are direct obligations of any member of the European Economic Area, Switzerland or Japan, or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, in each case maturing not more than 360 days from the date of the acquisition thereof and, at the time of acquisition thereof having a credit rating of at least AA- (or the then equivalent grade) by Moody's or Aa3 (or the then equivalent grade) by S&P;
- (iv) marketable securities that are general obligations issued by any state of the United States or any political subdivision thereof or any or any instrumentality thereof that is guaranteed by the full faith and credit of such state, in each case maturing not more than 360 days from the date of the acquisition thereof and, at the time of acquisition thereof having a credit rating of at least AA-(or the then equivalent grade) by Moody's or Aa3 (or the then equivalent grade) by S&P;
- (v) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 270 days from the date of acquisition thereof;
- (vi) fully collateralized repurchase agreements with a term of not more than thirty (30) days for obligations of the type described in <u>clause (i), (ii), (iii)</u> or <u>(iv)</u> above and entered into with a financial institution satisfying the criteria described in clause (vii) below;

- (vii) for an investment period of no longer than 180 days, demand deposits, time deposits, certificates of deposit or bankers' acceptances of any commercial bank that (x) is organized under the laws of the United States or any State thereof, or is the principal banking subsidiary of a bank holding company organized under the laws of the United States or any State thereof, any member of the European Economic Area, Switzerland or Japan, (y) is subject to supervision and examination by federal or state banking authorities and (z) has either (1) combined capital and surplus of at least \$500,000,000 or (2) the highest credit rating obtainable from S&P and Moody's;
- (viii) shares of any money market mutual fund (x) that has net assets of not less than \$500,000,000, (y) where the maximum weighted average maturity of such fund's portfolio is sixty (60) days and (z) that has a credit rating of Aaa (or the then equivalent grade) by Moody's; and
- (ix) the Fidelity Funds, Government Fund, class three shares, CUSIP: 316175603.

With respect to any Foreign Subsidiary, "Cash Equivalents" shall also include any Investment substantially comparable to the foregoing but in the currency of the jurisdiction of organization of such Subsidiary, Euros or U.S. Dollars."

(c) <u>Definition of "Limited Cash Equivalents."</u> The definition of "Limited Cash Equivalents" set forth in Annex A (Definitions) to the Arrangement Agreement is hereby amended by deleting such definition in its entirety and replacing it with the following:

""Limited Cash Equivalents" means any of the following:

- (i) (x) marketable securities that are direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) or obligations the timely payment of principal and interest of which is fully guaranteed by the United States, in each case maturing not more than 360 days from the date of the acquisition thereof by (or on behalf of) the Borrower or its Subsidiaries; or (y) marketable securities that are obligations issued by, or the timely payment of principal and interest is fully guaranteed by, any agency or instrumentality of the United States, the obligations of which are backed by the full faith and credit of the United States, in each case maturing not more than 360 days from the date of acquisition thereof by (or on behalf of) the Borrower or its Subsidiaries; provided that with respect to any single agency or instrumentality, the investments permitted under clause (i)(y) shall at no time exceed 5% of the aggregate amount at any time invested in Limited Cash Equivalents;
- (ii) shares of any money market mutual fund (x) that has net assets of not less than \$500,000,000, (y) where the maximum weighted average maturity of

such fund's portfolio is sixty (60) days and (z) that has a credit rating of Aaa (or the then equivalent grade) by Moody's;

- (iii) fully collateralized repurchase agreements with a term of not more than thirty (30) days for obligations of the type described in <u>clause (i)</u> above and entered into with a financial institution satisfying the criteria described in <u>clause</u> (iv) below;
- (iv) for an investment period of no longer than 180 days, demand deposits, time deposits, certificates of deposit or bankers' acceptances of any commercial bank that (x) is organized under the laws of the United States or any State thereof, (y) is subject to supervision and examination by federal or state banking authorities and (z) either (1) has combined capital and surplus of at least \$500,000,000 or (2) has the highest credit rating obtainable from S&P and Moody's; and
- (v) the Fidelity Funds, Government Fund, class three shares, CUSIP: 316175603."
- (d) <u>Summary Chart</u>. For the convenience of the parties, a summary of the amendments described in <u>Sections 1(b)</u> and <u>1(c)</u> of this Amendment is being attached hereto as <u>Exhibit A</u>. This summary does not purport to be complete and must be read in conjunction with the amendments described in <u>Sections 1(b)</u> and <u>1(c)</u> of this Amendment. In the event of any conflict between the amendments described in <u>Sections 1(b)</u> and <u>1(c)</u> of this Amendment and the summary attached hereto as <u>Exhibit A</u>, the amendments described in <u>Sections 1(b)</u> and <u>1(c)</u> of this Amendment will prevail.
- SECTION 2. Amendment of Control Agreements. Pursuant to Section 12.1 of the Arrangement Agreement and Section 6.1 of the Collateral Trust Agreement, DOE hereby consents to the amendment of (a) that certain Blocked Account Control Agreement (Dedicated Account), dated as of January 20, 2010, among Tesla Motors, Inc., PNC Bank, National Association, and Midland Loan Services, Inc. (predecessor to PNC Bank, National Association), and (b) that certain Blocked Account Control Agreement (Initial Debt Service Account), dated as of January 20, 2010, among Tesla Motors, Inc., PNC Bank, National Association, and Midland Loan Services, Inc. (predecessor to PNC Bank, National Association, doing business as Midland Loan Services, a Division of PNC Bank, National Association, doing business as Midland Loan Services, a Division of PNC Bank, National Association), in each case solely to the extent necessary to give effect to the amendments to the Arrangement Agreement described in Section 1(c) of this Amendment.
- SECTION 3. <u>Representations and Warranties</u>. Each of the Obligors hereby represents and warrants to DOE that:
- (a) As of the Amendment Effective Date, no Default or Event of Default has occurred and is continuing.

(b) Each of the representations and warranties made by any Obligor in or pursuant to the Transaction Documents (other than the representations and warranties contained in Article 8 of the Note Purchase Agreement) is true and correct in all material respects on and as of the Amendment Effective Date as if made on and as of the Amendment Effective Date (except to the extent such representations and warranties relate to an earlier date, in which case, such representations and warranties were true and correct in all material respects as of such earlier date).

SECTION 4. Effectiveness of this Amendment. This Amendment shall become effective on the date (the "Amendment Effective Date") when DOE (i) shall have received copies of all board, stockholder and other corporate approvals required for this Amendment, (ii) shall have received duly executed counterparts hereof that bear the signatures of Borrower and any other Obligor appearing on the signature page hereof (it being agreed that the receipt of duly executed counterparts delivered by facsimile or electronic transmission in Electronic Format shall be sufficient to satisfy the requirements of this clause (ii)), and (iii) shall have executed this Amendment.

SECTION 5. Effect of Amendment.

- (a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of DOE under the Arrangement Agreement or any other Loan Document and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Arrangement Agreement or any other provision of the Arrangement Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower or any other Obligor to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Arrangement Agreement or any other Loan Document in similar or different circumstances.
- (b) On and after the Amendment Effective Date, each reference in the Arrangement Agreement to "this Agreement", "hereunder", "hereof', "herein", or words of like import, and each reference to the "Arrangement Agreement" in any other Loan Document shall be deemed a reference to the Arrangement Agreement as amended hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Arrangement Agreement and the other Loan Documents.

SECTION 6. Consent and Reaffirmation. (a) Each Guarantor hereby consents to this Amendment and the transactions contemplated hereby, (b) each of Borrower and the Guarantors agrees that, notwithstanding the effectiveness of this Amendment, the Guarantee, the Security Agreement and each of the other Loan Documents continue to be in full force and effect, (c) each Guarantor confirms its guarantee of the Guaranteed Obligations (as defined in the Guarantee and which definition, for clarity, incorporates by reference all Note P Obligations and all Note S Obligations under the Arrangement Agreement as amended hereby), and each of Borrower and the Guarantors confirms its grant of a security interest in its assets as Collateral for the Secured Obligations, all as

provided in the Loan Documents, and (d) each of Borrower and the Guarantors acknowledges that such guarantee and/or grant continues in full force and effect in respect of, and to secure, the Secured Obligations.

SECTION 7. Governing Law. THIS AMENDMENT, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, FEDERAL LAW AND NOT THE LAW OF ANY STATE OR LOCALITY. TO THE EXTENT THAT A COURT LOOKS TO THE LAWS OF ANY STATE TO DETERMINE OR DEFINE THE FEDERAL LAW, IT IS THE INTENTION OF THE PARTIES HERETO THAT SUCH COURT SHALL LOOK ONLY TO THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE RULES OF CONFLICTS OF LAWS.

SECTION 8. <u>Counterparts</u>. This Amendment may be executed in counterparts of the parties hereof, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument. The parties may deliver such counterparts by facsimile or electronic transmission in Electronic Format. Each party hereto agrees to deliver a manually executed original promptly following such facsimile or electronic transmission.

SECTION 9. <u>Headings</u>. Paragraph headings have been inserted in this Amendment as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Amendment and shall not be used in the interpretation of any provision of this Amendment.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above mentioned.

UNITED STATES DEPARTMENT OF

ENERGY

Name: DAVID
Title: LCINC

By:

Name: Deepoh Annoa

Title: CFO

TESLA MOTORS NEW YORK LLC

By: Tesla Motors, Inc., its sole member

Why

Name: Deepoh Annoa

Title: CFO

TESLA MOTORS LEASING, INC.

By:

Name: Deepoh Annoa

Title: President

PERMITTED INVESTMENTS

Tesla Motors, Inc. Department of Energy Loan Facility

		Non Dedicated Cash Accounts	Dedicated Account and Initial Debt Service Account PNC
i)	Marketable securities that are direct obligations of the U.S. or where principal/interest are fully guaranteed by the U.S.	Maturities up to 360 days from date of acquisition	Maturities up to 360 days from date of acquisition
ii)	Marketable securities that are issued by any agency of the U.S. or where principal/interest are fully guaranteed by an agency of the U.S., all of which are backed by the U.S.	Maturities up to 360 days from date of acquisition	Maturities up to 360 days from date of acquisition, provided that agencies can at no time exceed 5% of the dedicated account value
iii)	Marketable securities that are direct obligations of any member of the EEA, Switzerland or Japan, or any agency thereof, or obligations unconditionally guaranteed by such countries	Maturities up to 360 days from date of acquisition, provided that credit rating at time of acquisition is AA-(Moody's) or Aa3 (S&P)	Not permitted, except any instruments held by a Money Market fund in viii)
iv)	Marketable securities that are general obligations of any U.S. state or political subdivision thereof that is guaranteed by such state	Maturities up to 360 days from date of acquisition, provided that credit rating at time of acquisition is AA-(Moody's) or Aa3 (S&P)	Not permitted, except any instruments held by a Money Market fund in viii)
v)	Commercial paper issued by any entity organized under the laws of the U.S. or any state	Maturities up to 270 days from date of acquisition, provided CP is rated at least P-1 (Moody's) or A-1 (S&P)	Not permitted, except any instruments held by a Money Market fund in viii)
vi)	Fully collateralized repurchase agreements	Term not to exceed 30 days for obligations of the type (i) to (iv) above, and meeting the financial institution requirements listed under (vii)(a) below	Term not to exceed 30 days for obligations of the type (i) to (ii) above, and meeting the financial institution requirements listed under (vii)(b) below
vii) a)	Demand deposits, time deposits, CD's or bankers' acceptances of any commercial bank that is (x) organized under the laws of the U.S. or any state, or the principal banking subsidiary of a bank holding company organized under the laws of the U.S., any state, the EEA, Switzerland or Japan; (y) subject to supervision/examination by federal or state banking authorities and (z) either (a) has combined capital and surplus of at least \$500 million or (b) has the highest rating obtainable from S&P and Moody's	Maturities up to 180 days	Not permitted.

vii) b)	Demand deposits, time deposits, CD's or bankers' acceptances of any commercial bank that is (x) organized under the laws of the U.S. or any state; (y) subject to supervision/examination by federal or state banking authorities and (z) either (a) has combined capital and surplus of at least \$500 million or (b) has the highest rating obtainable from S&P and Moody's	Covered under (vii)(a) above	Maturities up to 180 days
viii)	Money market funds that have net assets of not less than \$500M and	Average maturity of assets is 60 days or less and a credit rating of Aaa (Moody's)	Average maturity of assets is 60 days or less and a credit rating of Aaa (Moody's)
ix)	The Fidelity Funds, Government Fund, class three shares, CUSIP: 316175603	Permitted	Permitted

Mates, Michael

From:

Tobias Kraus (b) (6)

Sent:

Thursday, June 30, 2011 7:05 PM

To:

Mates, Michael

Cc:

Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer; Zachary Kirkhorn

Subject:

RE: Tesla Motors Financial Statements for May 2011

Attachments:

Tesla - DOE Monthly Compliance Certificate May 2011 (2011-06-30).pdf

Mike,

Attached is the revised submission for May with corrected Excess Equity Proceeds Amount.

Regards, Toby

Toby Kraus (b) (6)

J 3500 Deer Creek Road, Palo Aito, CA 94043 Ltel (b) (6)

1 mobile (b) (6)

TEŚLA MOTORS

From: Mates, Michael [mailto:Michael.Mates@hq.doe.gov]

Sent: Thursday, June 30, 2011 10:33 AM

To: Tobias Kraus

Cc: Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer; Zachary Kirkhorn

Subject: RE: Tesla Motors Financial Statements for May 2011

This confirms DOE's receipt of the May 2011 financial statements and compliance certificate.

Mike

Michael A. Mates

Senior Investment Officer

Advanced Technology Vehicles Manufacturing Loan Program

Portfolio Management Division, Loan Programs Office

Department of Energy

1000 Independence Avenue, SW

Washington, DC 20585

(202) 586-1565

Blackberry: (b) (6)

Cell:(b) (6)

michael.mates@hg.doe.gov

From: Tobias Kraus [mailto(b)(6)

Sent: Wednesday, June 29, 2011 10:19 PM

To: Mates, Michael

Cc: Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer; Zachary Kirkhorn

Subject: Tesla Motors Financial Statements for May 2011

Mike,

Attached please find the Tesla Motors financial statements for May 2011 and	the accompanying compliance certificate.
Thanks, Toby	
Toby Kraus I (b) (6) 3500 Deer Creek Road, Palo Alto, CA 94043 I tel (b) (6) TESLA MOTORS	I mobile (b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: June 30, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of May 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	W7 W99	
Name:	Deepak Ahuja	

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of May 31, 2011 (In thousands)

	May-11
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	93,736
Restricted cash	20,547
Accounts receivable; net	17,150
Inventory	52,723
Prepald expenses and other current assets Total current assets	### ## 8/1341 402.200
i otal current assets	192,290
Operating lease vehicles net	30,035
Property and equipment, net	162,846
Restricted cash	⊈i⊊5 039 l
Other assets	22,953
Total assets	393,163
Liabilities and Stockholders' Equity (Deficit)	
Current Liabilities	er rass von Turner in Weite Westernere
Accounts payable	38,904
Accrued liabilities	18,014
Deferred revenue Capital lease obligations, current portion	3,344 J 256
Refundable reservation payments	49,165
Total current liabilities	109,683
, otal out of paliano	100,000
Common stock warrant liability	7,509
Capital lease obligations, less current portion	388
Long em debt	. 124,881
Deferred revenue, less current portion	3,194
Other long term liabilities	13,140
Total liabilities	258,795
Stockholders' equity (deficit)	
Componistock	STREET, SERVICE TO
Additional paid in capital	632,360
L'Accumulated deficit	(498,088)
ローエング・ロース・イング はない はない かいまい はいます (Act はないがん)、マース・ス・イン・ス・イン・ス・ス・ス・ス・ス・ス・ス・ス・ス・ス・ス・ス・ス・ス・	in ar an
Total stockholders' equity (deficit)	134,368
Total liabilities and stockholders equity (deficit)	393,163

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, inc Consolidated Statements of Operations For the Month and five Months ended May 31, 2011 (in thousands)

	Way-11 (Unaudited)	YTD 2011 (Unaudited)
Revenue	(Onaccited)	(Olladdited)
-Automotive sales	14,644	\$_4,255,583
Development services	3,853	24,106
trotal revenues -	18,497	79,689
Control		
Cost of revenues Automotive 4.	11,660	44,055
Development services	::∓.3,41 6	-11,365
Total cost of revenues	14,976	55,420
Gross profit	// \L_3 <mark>521</mark> /	24,269
Operating expenses Research & development	14,617 -	68,131
Selling, general and administrative	7,516	37,501
Total operating expenses	22,133	105,632
Operating loss in the state of the property of the state	(18,612)	(81,963)
Interest income	12	9. 51
interest expense (OtherIncome (expense) 7	(267) 	(514) (1,139)
Pro-tax loss	(18,802)	£ (82,955)
		U.S. S.
Validation		25.13 (12.12.12.12.12.12.12.12.12.12.12.12.12.1
Netibes	(18,803)	\$ =(83,107)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and five Months ended May 31, 2011
(in thousands)

	Ma	y-11	YTD 20	11 1 平
•	(Unac	udited)	(Unaudi	ited)
Cash flows from Operating activities				
Net loss	\$	(18,803) \$	}	(83,107)
Adjustments to reconcile net loss to net cash				
used in provided by operating activities:				
Depreciation and amortization		1,291		≤ 6,1533
Change in fair value of warrant liability		-		1,421
Stock based compensation	400万分钟			5,926
Loss on abandonment of fixed assets	ಎಂದ ಆರ್ಚಿಕ ಕೆಪ್ಕಡಿತ	103	accontentent (44.025-164a) i	114
Inventory writedowns				- 382
Changes in operating assets and liabilities;	armony artifectivities at its in	ertantritusi etalahkka Mask	Servicio está asse	eora (da h. uniántino)
Accounts receivable:		(4 ₁ 924)	为他的 中国	(10,440)
Inventory		(456)		(10,720)
Prepaid expenses and other current assets		554	新疆的	1,266
Operating lease vehicles	arandae Marka	(604)	rest consideration to	(2,603)
Gifter assets	errat de la		定的发生的	(383)
Accounts payable and accrued liabilities	anas e walkana kalend	(3,805)	aden distancer	8,003
Office long term liabilities		(000)		867
Deferred revenue	9950703e1394498	(228) 4.967		(880)
Refundable reservation payments	建筑学生建设	ALL	起機構完整	18,410
Net cash used in operating activities		(21,889)		(65,591)
Cash flows from Investing activities				
Purchases of property and equipment; excluding capital leases:	ANTERONIES	(11,227)	新经验	(50,534)
Withdrawals out of our dedicated Department of Energy account	A CANADA SERVICE AND A SERVICE	13,660		53,050
Increase (decrease) in restricted cash deposits		13,000 13,000		(172)
Net cash used in investing activities	5)310H00744N2	2,433		2,344
Met ogsti deen itt investitig activities	 .	2,700		
Cash flows from Financing activities				
Proceeds from notes payable		13.660		53.053
Proceeds from issuance of common stock	Carried Control of the Control of	401	raint of that the total of the Color	4,483
Ethicipal payments on capital leases and other debt	建工作系统	(24)	是 不过的	7130
Deferred issuance costs	50444/19/52#194#6	19	(with the country of	19
Net cash provided by financing activities		14:056		57:425
Contract to provide and a track of the first to the formal of the formal of the first tender of	CHO TENEDO POR GALANTE	ALTERNATION STREET, THE PERSON NAMED IN	CATALOG CATALOG ASSAULT	
increase (decrease) in cash and cash equivalents		(5,400)		(5,822)
entre quantum de 1944 com (CTAR) qui le ministre application de la complete entre de la complete del la complete de la complete del la complete de la complete del la complete de la complete de la complete de la complete de la compl	tarovi i kresov Bilili	nemowalko (Ant-Amainfinis isk	en eder Die de Mark Heren	and the second of
Cash and cash equivalents, beginning of period.		99,136		99,558
A CONTRACTOR OF THE PROPERTY O			TITE 257 (4) - 1-1-1-1	1 Chill (1 mm) ()
Cash and cash equivalents, end of period	\$22-45	93,736	開始與和	93,736
A CONTROL OF THE PROPERTY OF T				

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesia Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of May 31, 2011	\$192,290,000		
Total current liabilities as of May 31, 2011	\$60,518,000	Covenant	
Current ratio as of May 31, 2011	3.18	Requirement • 1.40	
In accordance to Annex 9.1 (c) (ii)		Covenant	
Cash balance as of May 31, 2011	\$93,736,000	Requirement \$15,000,000	
Total Pro Forma Cash Balance	\$93,736,000	2 12 22 2 1	_Interest Expense Annualized =

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Mates, Michael

Sent:

Wednesday, July 06, 2011 10:51 AM

To:

'Deepak Ahuja'

Cc:

Mike Taylor; Tom vonReichbauer; Zachary Kirkhorn; Nwachuku, Frances; Waters, Charnice;

Nyamaa, Undram (CONTR)

Subject: Attachments: RE: DOE Quarterly Financials and Report for Q1 2011

DOE signed consent to Tesla 5-15-2011 Bus Plan 7-6-11.pdf

Deepak,

Attached is the Department of Energy's signed consent adopting Tesla Motors May 15, 2011 Business Plan and financial forecasts for ATVM loan monitoring purposes. Please reference the May 15, 2011 Business Plan as Tesla's DOE-approved Business Plan in future loan draw requests and when Tesla is preparing future certifications to the DOE.

We apologize for the delay in formally approving the May 15, 2011 Business Plan. We do not anticipate such long approval delays in the future.

Mike

Michael A. Mates
Senior Investment Officer
Advanced Technology Vehicles Manufacturing Loan Program
Portfolio Management Division

Loan Programs Office
Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
(202) 586-1565
Blackberry: (b) (6)
Cell: (b) (6)
michael.mates@hq.doe.gov

From: Deepak Ahuja [mailto (b) (6) Sent: Tuesday, May 17, 2011 5:24 PM

To: Mates, Michael

Cc: Mike Taylor; Tom vonReichbauer; Zachary Kirkhorn Subject: DOE Quarterly Financials and Report for Q1 2011

Mike.

Please find attached our Quarterly Financials and Quarterly Report for Q1 2011. The documents included are:

- Quarterly Financials "Tesla DOE Quarterly Compliance Certificate Q1 2011 (110517).pdf"
- 2. Quarterly Report Main Document "Quarterly Progress Report Q1 2011 (110517).pdf"
- 3. Exhibit A Quarterly Progress Report and Revised Business Plan Information
- 4. Exhibit B Agreed Upon Proceedures Report for September, October, November, and December 2010.

Please let me know if you have any questions. Thanks.

Deepak Ahuja (b) (6)

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: August 19, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2011, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By:	Aflur	9
Name:	DEEPAR	ALUHA
Title	CFv	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(l)

Tesla Motors, Inc. Consolidated Balance Sheets As of June 30, 2011 and December 31, 2010 (In thousands)

	9,202	Jun-11	Dec-10
Assets	(U	naudited)	
Current Assets			
Cash and cash equivalents	\$	319,380 \$	99,558
Resincled cash		7 × 11,251	73,597
Accounts receivable		23,308	6,710
(Inventory)		54.312	45,182
Prepaid expenses and other current assets		9,507	10,839
Total current assets		417 ₄ 758	285,886
Operating lease vehicles, net		10,533	7,963
Property, plant and equipment net		180 647	414 636
Restricted cash	president stores	5,433	4,867
Other assets		i 22,784 ···	22,730
Total assets	\$	646,155 \$	386,082
Liabilities and Stockholders' Equity			
Current Liabilities	the second	enter de la companya	Marian and Marian
Accounts payable	6	571992 \$	28,951
Accrued liabilities	Eraphinists	24,993	20,945
Delerrad revenue		3 070 2	4,635
Capital lease obligations, current portion		287	279
Reservation payments		58/187	30,755
Total current liabilities		138,736	85,565
No. 2012	P*	was in the second control of the later	neta banana samia bishtri sulimi
Common stock warrant liability		7,849	6,088
Capital lease obligations, less current portion	Silver armetidad (1841	359	496
Deferred revenue less current portion		3,225	2,783
Long-term debt		134,177	71,828
Otherlong term liabilities		13.657	12,2745
Total liabilities		297,703	179,034
Stockholders' equity (deficit)		HAM NAVA CONTRACTOR OF THE PROPERTY OF THE PRO	elitritica - na nasona belimbro h ne frainti
Common stock	165.34	104 and	95
Additional paid-in capital		871,174	621,935
Accumulated deficitions and the property of the second sec		(522,826) + -	(4:14 _i 982) _i
Total stockholders) equity (delicit)		348 452	207.048
於董格也可能是是如此地域可以可以可以在100m以上的100m以上,100m以外(100m以外)(100m以上)(100m以	CHELLHARENTO	en-maritalisti termiti estim	PARTIES STREET, SERVICE
Total Habilities and stockholders equity (deficit)	\$ 1	646 155 %	386,082

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Three months ended

Six months ended

Exhibit 8.1(d)(i)

Testa Motors, Inc Consolidated Statements of Operations (in thousands)

	June	30	June	30
	2011	· · · · · · · · · · · · · · · · · · ·		2010
,	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
Automolive sales 2	\$ 1, 39,028	\$7.54.23,9714	\$ 72,666	\$4,556
Development services and the services	19/145	6454	####\$4.84B	4,661
Total revenues in the second s	58.471	28,4052	10/2012	a 149/21/5
Cost of revenues				
Automotive	30,528	20,266	57.489	37,124
Development services (2)	9.135	1,876	13/176	1,980
Total cost of revenues	99,668	22,144	76,665	39404
Gross profit	48/508	6,261	36,536 a	10,143
Operating expenses				
Research & development	46 E 5 52,591	15/16	93,893	28,681
Selling, general and administrative	15 制元 24,716 行	22707	48,928	38,792
Total operating expenses	3 377,247	37/628	142,621	167,4783
Operating loss	(58,739)	(01/362)	(108)085)	(57,360)
Interestilicone	46	471		15 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Interest expense		(464) (6 <u>72</u> 9)	1606	(694) (9,950)
Pre-taxiloss	(58,764)	(38,508)	(107/655)	(67.909)
	(39		289	
Net loss	\$ (58,903)	\$ (58/5177)	\$ (107,844).	\$ (68,036)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

,	Three months ended		Six months ended	
	June 30,		June 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from Operating activities				
Net loss Adjustments to reconcile net loss to net cash the	(58,903) \$	(38,517)	\$ (107,844) \$	(68,036)
used in provided by operating activities; Deprochain among allow	Section 17 (19)	2480		
Change in fair value of warrant liabilities Stockhoused compensation	340 4 6926 50 22	6,350	1,761	8,682 9,602
Inventory writedowns Others	269 218	210	652	351
Changes in operating assets and liabilities:	Samuel (0,048)	(635)	(16,69e)	(2,970)
Inventories Propolitioxpanses and other current assets	(5,999) 1581:	(3,525) (640)	(12,964) 158	(9,032) (856)
Other assots Accounts payable and accrued liabilities society.	(9) (8,375	(759) 4,991	(375)	(508) 1 484
Deferred development compensation Deferred revenue	(614)	2078		(156) 7,899
Receivation payments Other fong-term utilities	13,774 28 5	257 4 7 4 5 5	22,431 1,083	198 548
Net cash used in operating activities	(22,488)	(20,247)	(65,785)	(47,576)
Cash flows from Investing activities	(64/3 \4))		(74,790)24	7018/2874
Decrease in restricted cash in dedicated DoE account Decrease (in presse) in other restricted cash	31,692 (500)	2.120	82,348	
Net cash provided by (used in) investing activities	(23,122)	(7,669)	(13,011)	(17,068)
Cash flows from Financing activities	172.423		172 123 MAC	
Proceeds from issuance of common slock in private placement	59,058 (60)		59,058	
Proceeds from long term debt	31,693	15,499	62,349	45,419
Piceedstromexercise of slock-counts and other stock issuances Deferred common stock and loan facility issuance costs		(1,949)	150	(3,523)
National Research Programme Research	264,386	13.694	298,618	12620
increase (decrease) in cash and cash odul alenis	218,725	(14-242)	219 822	(22/328)
Cashandidaeh, egulvalenis, begin (Ing. dipencit Alf. 1995).	100,686	161,646	PART 1997 158 TELEP	69,627
Gash and cash equivalents end of barrod states a second state of the	319/380 \$	47,304	\$ 319380.45	47.504

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Stockholders' Equity (Deficit)
For the Six Months Ended June 30, 2011
(Unaudited)
(in thousands)

	Commor Shares	n Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Batance as of December 31, 2010 Issuance of common stock related to stock option exercises and ESPF Stock-based compensation	94 908 370 646,470	U\$ 1122029511 1	\$ 621,935 3,703	J\$ 1.1412 982)	\$ 207,048 3,704 5,926
Net loss Balance as of March 31, 2011	95,554,840	\$ 96	\$ 631,564	(48,941) \$ (463,923)	(48,941) \$ 167,737
Proceeds from issuance of common stock in public offering Proceeds from issuance of common stock in private placement ssuance of common stock upon exercise of stock options	6,095,000 2,053,475 278,369	2 2	172,417 59,056 11,211		172,423 59,058 11,214
Stock-based compensation Netros Balance at June 30, 2011	103,981,684	104	6,926 871,174	(58,903) (522,826)	6,926 (58,903) 348,452

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period

Exhibit 8.1(d)(j)

Tesla Motors, Inc. Consolidating Batance Sheet As of June 30, 2011 (Unaudited) (in thousands)

Outer As of the British Britis

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(527.136) (527.136) (527.136) Sectoder env. (abol Lectron to a constitution of the constitution

184(9.1915):Byon B46 (165-

Exhibit 8.1(d)(f)

Tesla Motors, Inc. Consolidating Statement of Operations For the Six Months Ended June 30, 2011

97572 5 77 656 Consolidated Total in thousands)

adiğ**ze**jbaşınınlikilmödis yanınında 4883 yanının 4289 il 72.64

ANTICONINATIONS TO THE PERMITTED OF STORY

70,665 STATE OF THE PARTY anis(8674) upun 30,40 pu

36,538 (5,023) 1.026 是是是一个人,他们是一个人,他们是一个人,他们是一个人,他们是一个人,他们是一个人,他们是一个人,他们也是一个人,他们也是一个人,他们也是一个人,他们也是一个人, £ 362 594 328 232 33,300 Gross profit

48,928 142,521 Operating expenses

15 15 (10 6.08 S) 5,573 1,037 F 12 8 428 287 135,692 Total operating expenses

(107,844) THE REPORT OF THE PARTY OF THE 8 \$ [1,303] \$ (274) \$ [363] (1,827) \$ 0 \$ (29) \$ (144) \$ (124) \$ (198) \$ (54) \$

The Company believes in good faith that the unaudited financial statements harein fairly present the financial results of the Company as of the date indicated herein.

(227) \$

(60) \$ 196 \$ (140) \$

(103,237) \$

CONFIDENTIAL - This comment was developed a private expanse and includes trade societs and commencial of financial from from the freedom of information, or both, that Taxia incloses, no. considers privileged, confidential and exempt from disclosure under the Freedom of information Act (\$ U.S.C.) § 532(p)

Exhibit 8.1(d)(i)

Testa Motors, Inc.
Consolidating Statement of Operations
Controlidating Statement of Operations
of Test Three Months Ended June 30, 2011
(Unaudited)
(In thousands)

143 \$ 25,55 30,528 arc(22,579). (5,294) Austelia | |Celmination 3.850 08 x 31 11 11 14 1820 13 14 3,832 758 555 364 BS . Switchard France. 988 327 322 132 212 16,938 Gross profit

州西州河外河 18,505 Operation opposes. 1899年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,1918年,19 (9'028) 210 186 787 Total operating expenses

新疆域的

(7) \$ (165) \$ (754) \$ (139) \$ 200 \$ 1,564 \$ 180 5 123 \$ \$ (2) 83 8 154 \$ 113 \$ \$ 09 \$ (59,852) \$

(68,903)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date Indicated herein,

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Sent:

Simi Gupta (b) (6) Wednesday, August 24, 2011 4:04 PM Mates, Michael

To:

Cc:

Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer Tesla Motors Financial Statements for July 2011

Subject:

Attachments:

20110824125139765.pdf

Mike,

Attached please find the Tesla Motors financial statements for July 2011 and the accompanying compliance certificate.

Regards,

Simi Gupta (b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: August 24, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of July 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHE	REOF, the undersign	ed has executed this	s Compliance C	Certificate as of	f the
date first written abo	ove,				
·					
TESLA MOTORS, IN	C.				

By: Mame: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Testa Motors, Inc Consolidated Statements of Operations For the Month and seven Months ended July 31, 2011 (In thousands)

	Jul-11	YTD 2011
	(Unaudited)	(Unaudited)
Revenue -Automotive sales:	\$ 12,618	\$
Development services	4,849	39,394
Total revenues	17,467	124,668
Cost of revenues		
Automotive	10,222	67,710
Development services	3,449	16,625
Total cost of revenues	13,671	84,335
Gross profit	3,796	40,333
Operating expenses		
Research & development	11,992=	105,685
Selling; general and administrative	7,028	55,955
Total operating expenses	19,020	161,640
Operating loss	(15,224)	(121,307)
Interest income Interest expense	19 (308)	105 (308)
Other income (expense)	(44)	(1,601)
Loss before income taxes	(15,557)	(123;111)
Tex		291
Netloss a	(15,558)	\$(128;402)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of July 31, 2011 (in thousands)

	Jul-11
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	\$ = 1-292,581
Restricted cash	11,251
Accounts receivable, net	13,523
Inventory	50,611
Prepaid expenses and other current assets	8,976
Total current assets	376,942
Operating lease vehicles, net	11,226
Property and equipment, net	202,544
Restricted cash	5.434
Other assets	22,808
Total assets	\$ 618,954
	<u> </u>
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$ 40,777
Accrued liabilities	25,386
Deferred revenue	2,904
Capital lease obligations, current portion	275
Reservation payments	56.895
Total current liabilities	126,237
Total and distriction	TEO,EO,
Common stock warrant liability	7.849
Capital lease obligations, less current portion	342
Long-term debt	134,177
Deferred revenue, less current portion	3.420
Other long term liabilities	13,715
Total liabilities	285.740
7 7 111 N-2011 p	22737
Stockholders' equity	
Common stock	104
Additional paid in capital	871,493
Accumulated deficit	(638,383)
pro-ensure recognition recognition and the second of the second s	
Total stockholders' equity	333,214
Total liabilities and stockholders equity	Season services
rota institutes and stockholders edully	\$= 618,954

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and seven Months ended July 31, 2011
(in thousands)

Cash flows from Operating activities (Unaudited) (Unaudited) Net loss \$ (15,558) \$ (123,402) [Adjustments to reconcile het loss to net cash used in provided by operating activities. \$ (15,558) \$ (123,402) Depreciation and amortization 1,366 9,191 Change in fair value of warrant lability - 1,761 Stock based compensation - 229 Loss on abandomment of fixed assets - 229 Inventory writedows 652 Changes in operating assets and liabilities: - 852 Changes in operating assets and liabilities: - 9,785 (6,813) Inventory 859 (6,813) Inventory 859 (6,813) Inventory 859 (6,877) Prepeld-expenses and other current assets 531 688 Operating lease vehicles (825) (4,055) Other gasetig (24) (399) Accounts payable and accrued liabilities (12,129) 13,991 Other long term liabilities 356 1,441 Deferred revenue 29 (0,04) Reservation payable and		Jul-11		YTD 2011	
Cash flows from Operating activities Net loss Net loss Net loss Adjustments to reconcile not loss for net cash used in provided by operating activities: Depreciation and amortization Change in fair value of warrant liability - 1,761 Stock based corpuensation - 12,852 Loss on abandonment of fixed assets - 228 Linyentory writedowns Changes in operating assets and liabilities: - Accounts receivable - Accounts receivable - Prepried exponses and other current assets - 531: 689 - Operating lease vehicles - Other assets - Other assets - Other assets - Other description of the current assets - Other description of the current assets - Other description of the current assets - Other assets - Othe		B.,	(Unaudited)	(Unaudited)	
Adjustments to recencile net loss to net cash used in provided by operating activities: Depreciation and amoritization 1,366 9,191 Change in fair value of warrant liability - 1,761 Stock based compensation - 12,852 Loss on abandonment of fixed assets - 229 Inventory writedowns - 6852 Changes in operating assets and liabilities - 6852 Changes in operating assets and liabilities - 9,785 (6,813) Inventory 869 (8,877) Prepald excenses and other current assets 531 689 Operating lease vehicles (826) (4,055) Other assets (24) (3999) Accounts payable and accrued liabilities (2,129) 13,991 Other long term liabilities 358 1,441 Deferred revenue 29 (1,094) Reservation payments 3,708 26,140 Not cash used in operating activities (11,910) (77,694) Cash flows from Investing activities (15,180) (28,192) Cash flows from Enanching activities (25,346 Purchases of property, and acquipment, excluding capital issues (15,180) (25,192) Cash flows from Finanching activities (25,346 Proceeds from notes payable 62,346 Proceeds from notes payable 62,349 Issuance of common stock from secondary offering 172,728 Proceeds from Finanching activities (15,180) (25,192) Cash flows from Finanching activities 172,728 Proceeds from notes payable 59,088 Principal payments on capital issues and other debt 129 (15,180) Poterred issuances of common stock in concurrent private placement 59,088 Principal payments on capital issues and other debt 129 (15,180) Poterred issuances of common stock in concurrent private placement 129 (15,180) Poterred issuances of common stock in concurrent private placement 129 (15,180) Poterred issuances of common stock in concurrent private placement 129 (15,180) Poterred issuances of common stock in concurrent private placement 129 (15,180) Poterred issuance costs (13) (13) (13)	Cash flows from Operating activities		• • •		
Depreciation and amortization	Net loss	\$	(15,558) \$	(123,402)	
Depreciation and amortization 1,356 9,191 Change in fair value of warrant liability - 1,761 Stock based compensation - 12,352 Loss on abandonment of fixed assets - 229 Inventory writedowns - 652 Changes in operating assets and liabilities - 3,000 -	Adjustments to reconcile net loss to net cash				
Change in fair value of warrant liability	used in provided by operating activities:		2 4,000		
Stock based compensation	Depreciation and amortization		1,356	9.191	
Loss on abandomment of fixed assets 229 Inventory writedOwns 4 652 Changes in operating assets and liabilities: 9,785 (6,813) Inventory 859 (8,877) Prepaid excenses and other current assets 531 6899 Operating lease vehicles (826) (4,055) Other assets (24) (399) Accounts payable and accrued liabilities (12,128) 13,991 Other long-term liabilities 356 1,441 Deferred revenue 29 (1,094) Reservation payments 3,708 26,140 Net cash used in operating activities (11,910) (77,694) Cash flows from investing activities (15,180) (89,971) Withdrawals out of our dedicated Department of Energy account 62,346 Increase (docrease) in restricted cash deposits (15,180) (28,192) Cash flows from Financing activities (26,349) Issuance of common stock from secondary offering 172,728 Issuance of common stock in concurrent private placement (28) (157) Deferred issuance costs (13) (318) Net cash involved by financing activities (29) (29,09) Increase (decrease) in cash and cash equivalents (26,799) 193,023 Cash and cash equivalents, beginning of period 619,380 99,558	Change in fair value of warrant liability		-		
Loss on abandomment of fixed assets 229 Inventory writedOwns 4 652 Changes in operating assets and liabilities: 9,785 (6,813) Inventory 859 (8,877) Prepaid excenses and other current assets 531 6899 Operating lease vehicles (826) (4,055) Other assets (24) (399) Accounts payable and accrued liabilities (12,128) 13,991 Other long-term liabilities 356 1,441 Deferred revenue 29 (1,094) Reservation payments 3,708 26,140 Net cash used in operating activities (11,910) (77,694) Cash flows from investing activities (15,180) (89,971) Withdrawals out of our dedicated Department of Energy account 62,346 Increase (docrease) in restricted cash deposits (15,180) (28,192) Cash flows from Financing activities (26,349) Issuance of common stock from secondary offering 172,728 Issuance of common stock in concurrent private placement (28) (157) Deferred issuance costs (13) (318) Net cash involved by financing activities (29) (29,09) Increase (decrease) in cash and cash equivalents (26,799) 193,023 Cash and cash equivalents, beginning of period 619,380 99,558	Stock based compensation			-12,852	
Accounts receivable	Loss on abandonment of fixed assets		-		
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Operating lease vehicles				(8,877)	
Other assets: (24) (399) Accounts payable and accrued liabilities (12,128) 13,991 Other long teim liabilities 358 1,441 Deferred revenue 29 (1,094) Reservation payments 3,708 26,140 Net cash used in operating activities (11,910) (77,894) Cash flows from Investing activities (15,180) (89,971) Withdrawals out of our dedicated Department of Energy account 62,346 62,346 Increase (decrease) in restricted cash deposits (567) (567) Net cash used in investing activities (15,180) (28,192) Cash flows from Financing activities (15,180) (28,192) Cash flows from Financing activities 62,349 172,728 Issuance of common stock from secondary offering 172,728 580,588 Other issuances of common stock in concurrent private placement 580,588 6167) Principal payments on capital leases and other debt (28) (167) Deterred issuance costs (13) (318) Net cash provided by financing activities 291			531	A Control of the Cont	
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Other long-term liabilities 358 1,441 Deferred revenue 29 (1,094) Reservation payments 3,708 26,140 Net cash used in operating activities (11,910) (77,694) Cash flows from Investing activities Purchases of property and equipment, excluding capital leases (15,180) (89,971) Withdrawals out of our dedicated Department of Energy account 62,346 Increase (decrease) in restricted cash deposits (567) Net cash used in investing activities (15,180) (28,192) Cash flows from Financing activities Proceeds from notes payable, 62,349 Issuance of common stock from secondary offering 7,728 Issuance of common stock in concurrent private placement 7,2728 Issuance of common stock in concurrent private placement 9,249 Principal payments on capital leases and other debt (28) (157) Deterred Issuance costs (13) (318) Net cash provided by financing activities 291 298,909 Increase (decrease) in cash and cash equivalents (26,799) 193,023 Cash and cash equivalents, beginning of period 319,380 99,558					
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Purchases of property and equipment, excluding capital louses (15,180) (89,971) Withdrawals out of our dedicated Department of Energy account - 62,346 Ingrease (decrease) in restricted cash deposits (567) Net cash used in investing activities (15,180) (28,192) Cash flows from Financing activities Proceeds from notes payable 62,349 Issuance of common stock from secondary offering 1772,728 Issuance of common stock in concurrent private placement 59,058 Other issuances of common stock in concurrent private placement 332 5,249 Principal payments on capital leases and other debt 28) (157) Deferred issuance costs (13) (318) Net cash provided by financing activities 291 298,909 Increase (decrease) in cash and cash equivalents (267,99) 193,023 Cash and cash equivalents, beginning of period 319,380 99,558					
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Cash flows from Financing activities Proceeds from notes payable. 62,349 Issuance of common stock from secondary offering 172,728 Issuance of common stock in concurrent private placement 59,058. Other issuances of common stock 332 5,249 Principal payments on capital leases and other debt (28) (157) Deferred issuance costs (13) (318) Net cash provided by financing activities 291 298,909 Increase (decrease) in cash and cash equivalents (26,799) 193,023 Cash and cash equivalents, beginning of period 319,380 99,558					
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Proceeds from notes payable 62,349 Issuance of common stock from secondary offering 172,728 Issuance of common stock in concurrent private placement 59,058 Other issuances of common stock 332 5,249 Principal payments on capital leases and other debt (28) (157) Deferred issuance costs (13) (318) Net cash provided by financing activities 291 298,909 Increase (decrease) in cash and cash equivalents (26,799) 193,023 Cash and cash equivalents, beginning of period 319,380 99,558	Could the country of the state of				
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Increase (decrease) in cash and cash equivalents (267,99) 193,023 Cash and cash equivalents, beginning of period 219,380 99,558		Name of			
Cash and cash equivalents, beginning of period	Net cash provided by inlanding activities		149 E	290,909	
Cash and cash equivalents, beginning of period	Increase (decrease) in cash and cash equivalents		(267,99)	193,023	
Gash and bash equivalents, and of period \$292,581. \$292,581	Cash and cash equivalents, beginning of period			99,558	
	Gash and cash equivalents, end of period	\$=	292,581\$	292,581	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of July 31, 2011 Total current liabilities as of July 31, 2011 Current ratio as of July 31, 2011	\$376,942,000 \$69,342,000 5.44 >	Covenant Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		
Cash balance as of July 31, 2011	\$292,581,000	Covenant Requirement \$15,000,000
Total Pro Forma Cash Balance	\$292,581,000 >	\$3,626,505 Interest Expense Annualized \$18,626,505

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: September 16, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of August 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	After	19
Name: Deepak	Ahuja	
Title: CFO		

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of August 31, 2011 (In thousands)

	Aug-11
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	\$ 197,895
Restricted cash	11,251
Short-term marketable securities	65,044
Accounts receivable	11,242
Inventory	50,537
Prepaid expenses and other current assets	9,285
Total current assets	345,254
Operating lease vehicles, net	-11,391
Property and equipment, net	223,333
Restricted cash	5,674
Other assets	22,802
Total assets	\$ 608,454
Current Liabilities Accounts payable Accrued liabilities Deferred revenue Capital lease obligations, current portion Reservation payments Total current liabilities	\$ 47,169 22,133 2;557 290 61,306 133,455
Common stock warrant liability Capital lease obligations, less current portion	7,849 326
-20.03 ± 0.07 \pm	134,177
Long-term debt Deferred revenue, less current portion	3,409
Other long term liabilities	13,799
Total liabilities	293,015
Stockholders' equity	
Common stock	104
Additional paid in capital	873,968 (45)
Accumulated other comprehensive income (loss) Accumulated deficit	(558,588)
Total Stockholders' equity	315,439
The state of the s	A 10 A. 0 10 A. 0 2 A
Total liabilities and stockholders' equity	\$ 608,454

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and eight Months ended August 31, 2011 (In thousands)

	tug-11 naudited)	YTD 2011 (Unaudited)
Revenue	raidali puj	30 nacanos,
	12,115	97,389
Development services	.649	40,043
Total revenues	12,764	137,432
Cost of revenues		
Automotive	9,227	76,937
Development services	1,577	18,202
Total cost of revenues	10,804	95,139
Gross profit	1,960	42,293
Onevetina expenses		
Operating expenses Research & development	14,058	119,743
Selling, general and administrative	7,537	63,493
Total operating expenses	21,695	183,236
Operating loss	(19,635)	(140,943)
Interest income	28	133
Interest expense	(308)	(615)
Other income (expense)	(247)	(1,848)
Loss before income taxes	(20,162)	(143,273)
Tax	43	. 334
Net loss \$	(20,205)	(143,607)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, inc.
Consolidated Statement of Cash Flows
For the Month and eight Months ended August 31, 2011
(in thousands)

,	Aug-11	YTD 2011
	(Unaudited)	(Unaudited)
Cash flows from Operating activities		
Net loss	\$ (20,205) \$	(143,607)
Adjustments to reconcile net loss to net cash		
used in provided by operating activities:		- 10.
Depreciation and amortization	1,388	10,579
Change in fair value of warrant liability	<u></u>	1,761
Stock-based compensation		12,852
Loss on abandonment of fixed assets	10	239
Inventory wintedowns Changes in operating assets and liabilities:		652
Changes in operating assets and liabilities:		
. Accounts réceivable	2,281	(4,532)
Inventory	74	(8,803)
Prepaid expenses and other current assets	(308)	381
Operating lease vehicles	(305)	(4,360)
Other assets	7	(393)
Accounts payable and accrued liabilities	(2,817)	11,175
Other long term liabilities	84	1,525
Deferred revenue	(359)	(1,453)
Reservation payments	4,410	30,550
Net cash used in operating activities	(15,740)	(93,434)
Cash flows from Investing activities Purchases of property and equipment, excluding capital leases Withdrawals out of our dedicated Department of Energy account Investment in short-term marketable securities Increase (decrease) in restricted cash deposits	(16,091) - (65,089) - (240)	(106,061) 62,346 (65,089) (807)
Net cash used in livesting activities	(81,420)	(109,614)
Cont. State Cont. Plant and a st. Att.		
Cash flows from Financing activities	nyan Paggatan sa Nyasah Westiy Ti	62.349
Proceeds from notes payable		The same of the sa
Issuance of common stock from secondary offering	ana marakan darak da kaban baran da	59,058
Issuance of common stock in concurrent private placement		172,728
Other issuances of common stock	2,476	7,724
Principal payments on capital leases and other debt		(159)
Deferred issuance costs	·	(318)
Net cash provided by financing activities	2,474	301,382
Increase (decrease) in cash and cash equivalents	(94,686)	98,337
Cash and cash equivalents, beginning of period	292,581	99,558
Cash and cash equivalents, end of period	\$ 197,895 \$	197,895

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of August 31, 2011	\$345,254,000			•
Total current liabilities as of August 31, 2011	\$72,149,000		Covenant	
Current ratio as of August 31, 2011	4.79	>	Requirement 1.40	
In accordance to Annex 9.1 (c) (ii)			Covenant	
Cash balance as of August 31, 2011	\$262,939,000		Requirement \$15,000,000	Internet Evineine Annualizad
Total Cash Balance	\$262,939,000	>]	\$3,625,476 \$18,625,476	Interest Expense Annualized

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: October 24, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of September 30, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

By:

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and nine Months ended September 30, 2011 (In thousands)

	Sep-11 (Unaudited)	YTD 2011 (Unaudited)
Revenue	(Onaddied)	(Onaddited)
Aulomolive sales	\$18.502	\$ 115,891
Development services	. 37 3.8,933	48,976
Total revenues	27,435	164,867
Cost of revenues		,
Automotive sales	13,304	90,241
Development services	2,664	20,866
_Total cost of revenues	-:: <u>-</u> -:::::15;968+	111,107
Gross profit	11,468	53,760
Opposition attached		
Operating expenses Research & development	28,034	147,776
Selling; general and administrative	13,052	76,545
Total operating exponses	41,087	224,321
Operating loss	(29,619)	(170,561)
Interest income	33	<u> </u>
Interest expense Other-income (expense)	615 (302)	(0) (2.150)
Loss before income taxes	(29,273)	(172,645)
Tax:		877
######################################		· 查查·中亚一个 一个 一
Net loss	(29,316)	\$ (172,922)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of September 30, 2011 (In thousands)

	Sep-11
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	\$ 213,328
Restricted cash	55,305
Short-term marketable securities	65,080
Accounts receivable	18,250
Inventory	49,216
Prepaid expenses and other current assets Total current assets	10,962
Lotal current assets.	,412,121,7
Operating lease vehicles, net	11,672
Property and equipment, net	248,122
Restricted cash	5,754
Other assets	22,581
Total assets	\$ 700,250
[6] *** ********************************	
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$ 53,627
Accrued liabilities	32,684
Deferred revenue	2,267
Capital lease obligations, current portion	388
Reservation payments	65,216
Total current liabilities	154,182
Common stock warrant liability	8 189
Capital lease obligations, less current portion	661
	225.000
Deferred revenue, less current portion	3,536
Other long term liabilities	14:665
Total llabilities	406,132
•	
Stockholders' equity	
Common stock	104
Additional paid in capital	881,942
- Accumulated other comprehensive income (loss)	Section (24)
Accumulated deficit	(587,903)
Total stockholders' equity	294,118
Total liabilities and stockholders equity	700.000
Total and the same strong and str	\$ 700,250

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and nine Months ended September 30, 2011
(in thousands)

,,		Sop-11	YTD 2011
'		(Unaudited)	(Unaudited)
Cash flows from Operating activities			
Net loss	\$	(29,315) \$	(172,922)
Adjustments to reconcile net loss to net cash	uder		
used in provided by operating activities:			
Depregation and amortization		1,536	
Change in fair value of warrant liability		340	2,101
Discounts and premiums on short term marketable securities	200 (2) 200 (2)	6 - 6	= (132)
Stock based compensation		7,886	20,737
Loss on abendonment of fixed assets	Ši.	= (77)= :	162
inventory writedowns	William or the	768	1,420
Changes in operating assets and liabilities		7-14-14-16-16-16-16-16-16-16-16-16-16-16-16-16-	
Accounts receivable	. De charact	(7,009)	(11,540)
Inventory	W.	2,758	(6,045)
Prepaid expenses and other current assets	rasense	(1,566)	(1,185)
### ### ### ##########################	Arido eldo en colonia	(427)	(4,786)
Accounts payable and accrued labilities	का संक्ष्यक	58 26,826	(335)
Other long term liabilities	THE	20,626 766	37,998 2,291
Deferred revenue	CANTONIA ASSESSMENT	(163)	(1,616)
Reservation payments		3,910	34,460
Net cash used in operating activities	XX (336)	6,295	(87,277)
	-uesas	Mark Street	Total
Cash flows from investing activities			
Purchases of property and equipment, excluding capital leases	1.2.1	(37,593)	(143,634)
Withdrawals from (transfers into) our dedicated Department of Energy account	ornanie.	(44,054)	18,292
Purchases of short-term marketable securities			(64,952)
Decrease (increase) in restricted cash deposits	MANAGE ON ALOUT	(80)	(887)
Net cash used in investing activities	34	(81,727)	(191,181)
Cash flows from Financing activities			
Proceeds from notes payable		90,822	153,172
Issuance of common stock from secondary offering		-	172,728
Issuance of common stock in concurrent private placement			59,058
Other issuances of common stock	ii valent i r	88	7,812
Principal payments or capital leases and other debt	19.5	(45)	(224)
Deferred Issuance costs		-	(318)
Net cash provided by financing activities	1721TE	90,865	392,228
increase (decrease) in cash and cash equivalents		16,483	113,770
Cash and cash equivalents beginning of period	MD.R	197,895	99,558
Cash and cash equivalents; end of period	\$	218;328=-\$	213,328

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc. Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of September 30, 2011	\$412,121,000		
Total current liabilities as of September 30, 201	\$88,966,497	Covenant	
Current ratio as of September 30, 2011	4.63	Requiremen 1.40	t
In accordance to Annex 9.1 (c) (ii)		Covenant	
Cash balance as of September 30, 2011	\$278,387,742	Requiremen \$15,000,0	
Total Cash Balance	\$278,387,742	\$4,807, \$19,807,	798 Interest Expense Annualized 798

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3,	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Mates, Michael

From:

Tom vonReichbauer (b) (6)

Sent:

Thursday, November 17, 2011 1:15 PM

To:

Mates, Michael

Cc: Subject: Deepak Ahuja; Rex Liu; Mike Taylor; Tobias Kraus DoE Quarterly Financials and Report for Q3 2011

Attachments:

Tesla - DOE Quarterly Compliance Certificate Q3 2011 (2011-11-17).pdf; Quarterly Progress

Report Q3 2011 (2011-11-17).pdf; Exhibit A - Tesla Motors Status Report - Q3 2011.pdf;

Exhibit B - AUP June.Aug Report 11.16.11.pdf

Mike.

Please find attached our Quarterly Financials and Quarterly Report for Q3 2011. The documents included are:

- Quarterly Financials "Tesla DOE Quarterly Compliance Certificate Q3 2011 (2011-11-17).pdf"
- Quarterly Report Main Document "Quarterly Progress Report Q3 2011 (2011-11-17).pdf"
- Exhibit A Tesla Motors Quarterly Status Report and Business Plan Update
- Exhibit B Agreed Upon Procedures Report for June, July, and August 2011

Please let me know if you have any questions.

Regards, Tom

Tom

Tom vonReichbauer | Director of Finance (b) (6) (b) (6) | I fax (b) (6) | I

3500 Deer Creek Road, Palo Alto, CA 94304 I tel (b) (6)

mobile

TESLA MOTORS

The content of this message is the proprietary and confidential property of Tesla Motors, and should be treated as such. I if you are not the intended recipient and have received this message in error, please delete this message from your computer system and notify me immediately by reply e-mail. I Any unauthorized use or distribution of the content of this message is prohibited.

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: November 17, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2011, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to <u>Section 8.1(d)(iv)</u> of the Arrangement Agreement, <u>Exhibit 8.1(d)(iv)</u> attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By:	WHU	w/9_
Nama	DEEPAL	AHUJA

Title:

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheets As of September 30, 2011 and December 31, 2010 (In thousands)

	Sep-11	Dec-10
Assets	(Unaudited)	
Current Assets	,	
Cash and cash equivalents	\$ 213,328	\$ 99,558
Short-term marketable securities	65,060	=
Restricted cash	55,305	73,597
Accounts receivable	18,250	6,710
Inventory	49,216	45,182
Prepaid expenses and other current assets	10,962	10,839
Total current assets	412,121	235,886
Operating lease vehicles, net	11,672	7,963
Property, plant and equipment, net	248,122	114,636
Restricted cash	5,754	4,867
Other assets	22,581	22,730
Total assets	\$ 700,250	\$ 386,082
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 53,627	\$ 28,951
Accrued liabilities	32,685	20,945
Deferred revenue	2,267	4,635
Capital lease obligations, current portion	388	279
Reservation payments	65,215	30,755
Total current liabilities	154,181	85,565
· ·	10.,101	00,000
Common stock warrant liability	8,189	6,088
Capital lease obligations, less current portion	661	496
Deferred revenue, less current portion	3,536	2,783
Long-term debt	225,000	71,828
Other long-term liabilities	14,565	12,274
Total liabilities	406,132	179,034
Observe I describe and a section		
Stockholders' equity (deficit)		
Common stock	104	95
Additional paid-in capital	881,941	621,935
Accumulated other comprehensive loss	(24)	
Accumulated deficit	(587,903)	(414,982)
Total stockholders' equity	294,118	207,048
Total liabilities and stockholders' equity	\$ 700,250	\$ 386,082

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations (In thousands)

(iii didadanas)	Three mor Septem			onths ended omber 30, 2010	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue					
Automotive sales	\$ 43,235	\$ 23,360	\$ 115,891	\$ 67,906	
Development services	14,431	7,891	48.975	12,552	
Total révenues	57,866	31,241	164,867	80,458	
Cost of revenues					
Automotive sales	32,752	19,457	90,241	56,581	
Development services	7,690	2,488	20,866	4,467	
Total cost of revenues	40,442	21,945	111,107	61,048	
Gross profit	17,224	9,296	53,760	19,410	
Operating expenses					
Research & development	54,083	26,698	147,776	55,379	
Selling, general and administrative	27,618	20,432	76,545	59,224	
Total operating expenses	81,701	47,130	224,321	114,603	
Loss from operations	(64,477)	(37,834)	(170,561)	(95,193)	
Interest income	. 80	100	166	195	
Interest expense Other income (expense), net	(594)	(298) 3,18 0	(2.150)	(992) (6,770)	
Loss before income taxes	(64,991)	(34,852)	(172,545)	(102,760)	
Provision for income taxes	87	83)	377	210	
Net loss	\$ (65 ₁ 078)	\$ (34,935)	\$ (172,922)	\$ (102,970)	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

(in thousands)		Three months	andad		Mine menths	andod	
	September 30,				Nine months ended September 30,		
	7.57	2011	2010	: :	2011	2010	
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Cash flows from Operating activities		,	,,		, ,	,	
Net loss	\$	(65,078) \$	(34,934)	\$	(172,922) \$	(102,970)	
Adjustments to reconcile net loss to net cash used in provided by operating activities:							
Depreciation and amortization	general Zuztak de	4,280	3,109		12,116	7,733	
Change in fair value of warrant liabilities	district of the second	340	(3,072)	Calander Marchald	2,101	5,610	
Stock based compensation	MASSES ST BULKETER	7,885	3,811	Syncorphia Supersylvia	20,737	13,313	
Inventory writedowns		768	301	L.L. C. C.	1,420	652	
Other	e d'amaigne	(199)			30		
Changes in operating assets and liabilities:		=			a GAT dia Mandalmi di Sanan anno manana m		
Accounts receivable	ing si	5,058	(1,597)	Barre	(11,540)	(4,575)	
Inventories	anderstant	2,133	(13,837)	Source according	(10,831)	(22,869)	
Prepaid expenses and other current assets.	201100200	(1,343)	(2,253)	00050000 00050000	(1,185)	(3,109)	
Other assets	EXERTERIS	40	(312)	SANSHARANA	(335)	(818)	
Accounts payable and accrued liabilities Deferred development compensation	<u> </u>	11,881	4,378	Suidenseries 	37,999	5, 8 62 (156)	
Deferred revenue	#PRESERVED	(493)	(4,225)	\$485578	(1,616)	3,374	
Reservation payments	P. P. W. W.	12,029	1,623	Kanagana	34,460	1,821	
Other long-term liabilities	5500E0	1,208	1,051	THE A	2.291	2.599	
Net cash used in operating activities	Brasiliantea	(21,491)	(45,957)	Politikein	(87,276)	(93,533)	
.					1.11		
Cash flows from Investing activities							
Purchases of marketable securities		(84,952)		igical a	(64,952)	•	
Payments related to acquisition of Fremont manufacturing facilities	il ************************************	-	(58,710)	and the same of the same of		(58,710)	
Purchases of property and equipment	Novike Color	(68,844)	(7,768)	rantari Tantari	(143,634)	(23,055)	
Decrease in restricted cash in dedicated DoE account	рыскачающе	= 	11,870	verezentisin sel	62,346	11,870	
Increase in restricted cash in dedicated DoE account	BASSIDAYA Baylera-kuk	(44,054)	(100,000)	XXII AX	(44,054)	(100,000)	
Decrease (Increase) in other restricted cash		(320)	(71)		(887)	(1,852)	
Net cash provided by (used in) investing activities		(178,170)	(154,679)		(191,181)	(171,747)	
Cash flows from Financing activities							
Proceeds from issuance of common stock in public	economicos.	(13)	188,842	1000000	172,410	188,842	
Proceeds from Issuance of common stock in private placement	************	-	50,000	24/0000428	59,058	50,000	
Principal payments on capital leases and other debt		(96)	(78)	Marea	(225)	(233)	
Proceeds from long term debt	Programme and the second	90,823	11,138	25-7-1	153,172	56,557	
Proceeds from exercise of stock options and other stock issuar	Charles &	2,895	161	STUDBER	7,812	741	
Deferred common stock and loan facility issuance costs	V	= 1	(168)	disk program	#	(3,691)	
Net cash provided by financing activities		93,609	249,895		392,227	292,216	
Increase (decrease) in cash and cash equivalents		(106,052)	49,259	Materials Materials Company	113,770	26,936	
Cash and cash equivalents, beginning of period		319,380	47,304	in ned Electri	99,558	69,627	
Cash and cash equivalents, end of period	8	213,328 \$	96,563	\$	213,328 \$	96,663	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statement of Stockholders' Equity For the Nine Months Ended September 30, 2011 (Unaudited) (in thousands)

:	Common Shares	n Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2010	94,908,370	95	S 621,985	\$ (414,982)	\$	\$,207,048
Proceeds from issuance of common stock in public offering Proceeds from issuance of common stock in private placement	6,095,000 2,053,475	6 h	1 72,723 59,056			172,729 59,058
issuance of common stock upon exercise of stock options & ESPP Stock-based compensation		(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)				
Cepitalize S-1 fling cost Gain/(Loss) on investment securities	-			- -	(24)	
Net loss Balance at September 30, 2011	104,188,831	104	881,941	(172,922) (587,903)	(24)	(172,922) 294,118

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidating Balance Sheet
As of September 30, 2011
(Unaudited)
(in thousands)

(114	บร	Canada	Leasing Neti	terlands is	taly Di	enmark Swi	tzerland . F	rance M	onaco Ge	rmany	ÜK T	alwan Sing	apore Ho	ong Kong	Japan	Australia IC E	mination	Contolidated Total
Assets																		
Current Assets Cach and deen equivalents	\$ 203,858	\$ 490	s elé s	42 S	242 5	473 .5	1,379 8	118 5	335 S	1,285	2,243 \$		999 955	6 820,H	675 . 8	669 8		£ 213,328
Short-term marketable securities Restrated cash	55,060 55,805	2015/2010/2016/2 2016/2010/2016/2016/2		3511 OFFICE AT 15 SAME	D NSS AND NOVERS		regeri leres	เกตเลขนับกรรณ	SINGNICALIDA	<i>เรอสา</i> ยนี้เสร <i>า</i>	unen kann	7.WASW074W10		000000000000000000000000000000000000000	1914 1815 1815 1815 1815 1815 1815 1815 1815 1815 1815 1815 1815 1815 1815 1815	SVOVERSI DARMI USTRANIS	\$3000.000.000.000.000.000.000.000.000.00	\$5,050 55,305
Accounts receivable	10,280	**************************************	11	(Aleens algegephide) 	шинард у 4 энт-жылыктен	8 13314 60 5317518	31 31: 00:00:00:00:00:00:00:00:00:00:00:00:00	AND DESCRIPTION OF THE PARTY OF	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	100 1.399	7,800	raggij regementering. Sweschooslessesses	49000 GEORGE 619000 GEORGE	адарынын арадада Беректерия Беректерия	5 (10) (10) (10) (10) (10) (10) (10) (10)	2 7255245 18 75555	insweed of Styles Talkater entered	18,250
Inversiony Prepaid expenses and other current assets	44,552 7,065	203		C C	140 159	43	615 39	259 113	105	862	1,216 1,803	198611 1 9861116	71 (124) 37	109	596 367	48	[1197]	49,216 10,962
Total current accets	41,720 427,838	750 750	407 1,041	42	943	1,800	4,711 6,776	1,219	1780 2,348	730 4,327	30,611 43,874	14	37	1,175	1, <u>643</u>	626	(82 224) [82,331)	412,121
Operating lease verticing, net	(0.00)(10)(10)(10)	HE (124.413)	111/125		TERRORINAN		nijassurvetia	N (1884)	9918	15 56 0%	SECTION OF SECTION	(1906)1481118E	118788818S				2.479	642 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16
Property, plant and equipment, net Restricted creb	245,661 5,754	98 27:00:00:00:00:00	MERCONALISER	88078361183701	162 VSF (2)0000	35 (1975) 4 (1965)	137	17 1004/1320:1033	27 VRSNA 619381616	238	522	25070025000500	onerous en ele	10KE 814 - 2014	1,018 200,010,000,010	60 500 8232385 <u>1</u> 1824463	150	248,122 6,754
Other assets thivestment in Subaldiaries	21,491	187 masec es a constitui 	KI SHAMININ BAZO DENGANJA TARKAN MASO MENDANINA	r sweep in testeral in test Personal properties in tests	50			211	nen sakezmunen T	764 54 (1816)	289 985-200-200	ASSENICATION AND THE TOWNS OF THE PROPERTY OF THE	(MANAGEMAN) - CHANGE (TOTAL)	namana 1 Geografian	u (1933) 1943) 1944 (4) 1933) 1943 1943 (4) 1933) 1943 1943 1943	nga bedara Paraban Marabanan	SAMME INTO THE CONTRACT	22,581
Total assets	293 5 701,025	\$ 2,251	\$ 12,167 \$	42 5	1,145_\$	1,915 \$	6,912 \$	1,447 5	2,590 \$	S,150 \$	45,452 \$	14 \$	37 \$	1,185 \$	3,075		(293) (84,953)	5 700,250
Liabilities and Stockholders' Equity																		
Current Liabliffes Accounts Payable	\$ 53,019		\$ 177 Ki5 (\$)		36 \$	95 8	166 8		ined as (s)	(66) \$	244 (8)		5 1	kisankanna	148 (1780) (1878) (18	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	(33)	5 53,827
Accrued liabilities Deferred revenue	31,061 91132	47 Street 8 (1919) 96 (1	96 1011 11654	22 614141458461	58 1333-14411173	80 Parkonsil (2000)	203	7 3 0000100200000	61 701131	942 165125	747 190	aratrization	1 190101201001	13 70:45094414446	193 227 - 122 1415	47 30 (27) (3) (3) (3) (3) (3) (3) (3)	870) 	32,686 2,207
Capital lease obligations, current portion	388 388	.—	igasasan katalah dan	aran - Carrario Destina	en entaturante de e- de el Grando de registrat	-2302 gave,-3224 da - Sibros recepco el 21/25 d	19719741 786 (1974)	Biriki ye rang	enderen er en	Seber es erra	erana e e e e e e e e e e e e e e e e e e	senumban mesaga Proposereirakan Proposereirakan	aren eta erreta (1931) Erreta erreta (1931) Orreta erreta (1931)	era er er France.	357676 1585 110		nonenenes	388 (D48) [159] 385 [15]
Reservation payments Intercompany Payables	15	1,635	10,658	-	1,262	2,179	7,263	1,682	2,518	3,481	46,066		112173-71218811 89	1,184	3,270	901	(82,225)	0
Total Current Liabilities	148,011	2,098	11,358	38 (1997)	357	1.00 2.323 (2.101)	7,702	1,830	2,855	4,525	47,761			1.263	5049	1044 (m. 166)	(83(1 2 9)	1662 CHURCHES 54 191 0
Common stock warrant liability Capital lease obligations, less current portion	8 189 661															Zikaren erakan		81 99 861
Deferred revenue, less current portion	2 432	lelling e r	EU-11.1879 1.1.10	wander der			<i>928</i> 3335 <u>2</u> 263	eorașiere	66	129	233		Menderica.				Salatan Sa	3 535
Long term debt Other long term ljabilities	225,000 12,907	7.87888 1 3						SATE OF SERVICE	215	393	460 A	Ministra en Espeia	anna earna	12(15) (825) (825)	obuquiqa <mark>.</mark>	Taking (B <mark>a</mark> nagga)		225,000 14,565
Total Slabilities	397,199	2,223	11,933	38	1.357	2.333	7,702	1,830	3,139	5.017	48.454		91	1,253	5,049	1,044	(82,540)	406,132
Stockholders' equity Common Stock	46 320 ma 464 i	antorus rich	Orania (Companya)	780134009788	1515-01030/2515	5000051460556		50000000000000000000000000000000000000	acesto con inter	PROMALINE	88 667 8787 778 880	551(101 4 1(31%)(14)	ngahi m a no	isi waniata	tvaritiese u ter	THE CONTRACT OF THE PARTY OF TH	SOSHLOWELL	1277517881703117 104 1
Additional paid in capital US capital investment in subsidiares	981,565.4	iakerakearing Peropake	TORENS PROPERTY OF THE SERVER.	18089 20 08 (1881	Diese de la composition della	19001 23 501710	KONGS PARTICIS	NI (1812 26 875 1918		30181 53 30182	73 1/21/1/2 6 /2/21	6898 46 489848		rancia di della con estado. Casterna estado esta		STRUKURU SI WEWATER	(294)	881,941 (C)
Accumulated other comprehensive loss	(24) (24)	regerii (diri) (distrir) Commentari (distrir)	ggapidiiistijjiikkii 	i karandelii kad haann		-	negigerer e cijisi. 	-	-	*		· · · · · · · · · · · · · · · · · · ·				ese opogogogogogogogogo Potogogogogogogogogogogogogogogogogogogo	0	(24)
Accumulated deficit Total stockholders' equity	(576 121) 303,627	38	234 234	(25) 4	(228) (212)	(411) (418)	(609) (790)	(408 (382)	(471) (449)	100 132	(3.112) (3,003)	(61) (62) 14	(74) (54)	(79) (79)	(2,031) (1,974)	(359) (359)	(2,119) (2,413)	587 603) 294,118
Total liabilities and stockholders' equity	\$ 701,028	\$ 2,261	\$ 12,167 \$	100 (5 42 5 100)	1,145 \$	1,915	6,912 S	1,447 - 5	2,690 S	S.150 S	45,452 6	144 5 100	37 \$	1.165 \$	3,075	14.0 p. 0 688 x 5 20 p.	(84,953)	51000 po 1200 700,260 :
A CONTRACTOR OF A SECURE OF A																		

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidating Statement of Operations For the Nine Months Ended September 30, 2011 (Unaudited) (in thousands)

Autoridad state 30.071 1.02 1.0	Authorities states 96.077 1.002 9.007 9.007		II¢.	Canada Le	asina Neth	erlands It	toly Den	mark . Swit	zerland Fra	nce Mon	nen för	rmany	tlk .	Tahvan S	ingappre	Hong Kong	Japan	S A115	stralia ICE	limination	Consolidated To	lete
Trial contemps 1998 1.004 577 198 1.004 577 198 1.004 577 198 1.004	Total (exemple) 1945 119 503 1,164 677 1977 148 1,164 1,16	 Control of the property of the pr	Transference um an Martinese.	arramantin anno	te et taMPSLe etterture	amen Maero seren	15 G.V. in complement	ekaka ere eran MAN	Obsesse contracts 84	to a section of the section of			51,709 \$		in in-exercise execu-	The beautiful of the party	reserve roots	on Meren in the	cornelaro o namena	ersopet (Skitopa)		
Total (revenues 1.502 1.77 1.802 1.540 1.147 1.525 1.540 1.147 1.525 1.540 1.541 1.547 1.522 1.540 1.547 1.522 1.540 1.547 1.522 1.540 1.547 1.522 1.540 1.547 1.522 1.540 1.547 1.522 1.540 1.547 1.5	Total (revenues 163217 1872 1340 1.147 1385 6778 628 1313 6.022 53.055 3.221 1877 (62.427) 184287 Cost of revenues 26.068 2645 1445 10 127 266 2 145 3.023 145 3.023 145 170	Development services	48,676			/#875/1785/13 1566/40/42										20 3000 1000 10 English 2000 100 100	98651566 44664666					,976
Cost of Teveruses Automotive labeler 20,666 22,665 34,666 37,700 31,700 32,700 31,700	Cost of revenues Automorphic balant Automorphic balant Automorphic balant Developming beneficial 20,666 11,176 11,	Intercompany revende	77.554		(1.1 19)		ecs	1404	Ser Deux Deux en & M. Fil	517	797	149	1,37					Mindel		(62,411)		(C)
Control of the special control of the control of	Advisor with the protection of	remobility and the 1995 was also assessed in the first and decreased a few	163.217	1,802	1,940	(3)(3)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)(4)	74,147 (1988) j	1, 385	6719 (c) 224	828	91 .913 (10.94)	6.022	53 080	(19)miq a (12)	i Kantaserib	3,231	6) (Aug 1974-11 3	3,741	847	(82,407)	761 (1944)	,867.
Common Court Cou	Percentage of the case 1,176 1/12 1/	Cost of revenues Automotive sales	68,066	248	1.459			18 17 202	266		300 45 (199)	159	502					(134 /52155	ALL M E (190	//////////////////////////////////////	SE(11)) (12)	241
Company Comp	Total operating expenses 113/750 1/425 1/512 1/525	California de la Califo	acci anana manana a manana manana		urcusarrit			KIRKENE							mestropeus	STARBETTERSH			Care Care Care Care Care Care Care Care	Security Security		
Gross profit 49,468 378 368 - 422 333 426 257 380 1,324 3,944 527 470 91 (4,029) Operating expenses Research a deviatorment of the first second of the first sec	Gross profit 49,468 378 368 - 422 333 426 257 380 1,324 3,944 527 470 91 (4,02) 53,760 Operating expenses Research a development 146,169 Selling caneral and administrative 64,622 427 533 24 657 805 1,367 565 1,007 1,600 9,551 - 95 635 2,29 456 (5,29) 224,321 Loss from operations (49,439) (69) 3315 (24) (235) (472) (661) (429) (engenment (MIVITAL) morror on a confession (logousassassas Jahritaas es		La tabor 🛶 (4) or one Cortaco	tion happen real/early fer-		April 2 common and the control of the control	udabiāsāsis Mārdas	200000-0-1-1-1-1-12-12	America State of the second		onsitionist items	- Letter and a second		A Code Sal 24 h - 1-4-				
Operating expenses 146,168	Operating expenses 146,166 146,227 247 258 248 256 258	Jone cost of Tavariues	113/720	1,420	1,012	nidati(#9jjijas		1,002	0.232 (ASC.)	37 38 18 COLUM	00.835	6,036	(1.49,130,131)	SHORATPE SERVICE	aminum menun	2.704	2011/01/2012	14(1000m)()	Manage or Carry	101.110	20000000000000000000000000000000000000	Gar.
Selling Senioral and Edition Sequence 146,166 153 154 155 1550 15	Selling System and definishabilities																					
Total operating expenses 210,806 447 53 24 657 805 1,367 688 1,007 1,600 8,581 - 85 635 2,299 456 (5,29) 2 [Loss from operations (4,29) (6,237) (6,23	Total operating expenses 210,806 447 53 24 657 805 1,367 688 1,007 1,600 8,581 - 85 635 2,29 456 (5,29) 224,321 [Loss from operations	Gross profit	49,468	378	368		422	333	426	257	380	1,324	3.944	-		527		470	91	(4,629)	53,	760
Cost from operation (141,230) (60) (316) (225) (472) (627) (429) (42	Control (Control (C	Operating expenses		378 11300000-13000	368													470		(183)		
Operest expense 161	Interest income (Expense) (A) (15) (25) (240) (459) (856) (416) (602) (242) (4,783) (1) (35) (110) (2,019) (386) 450 (172,545) (130) (172,545) (17	Operating expenses Research & development	146,164						35862755658	2019 6 0 (22) (4		(110°23)	1,651		XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		2015316			(183)	3000 CO	776
Interest income 161 0 0 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Therest Income 161 0 2 165 166	Operating expenses Research & development Selling, general and administrative	146,164		10011513000 2101 59 12020		1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 - 1115 -		33.825.635 2 3.39 7.2.625	57 2	71007	10 1,550	1.651 6.980				1155161	2289		(5,056)	76	776 545
[Online] [Applied Health H	Loss before income taxes (163,125) (4) 315 (25) (240) (459) (836) (416) (602) (242) (4,783) (1) (85) (110) (2,019) (386) 450 (172,545) (Operating expenses Research's development Selling seneral and admissipate Total operating expenses	146,164 64,622 210,866	1200 2-5 (120 140 - 140 441	3	24	657 657	805 805	1,387	572 688	1,007	1600 1,600	1,651 6,890 8,581		9 5 85	636 635	21175363 22237633 2 2	239 239	495 486	(5,056) (5,239)	76 224	776 ,545 ,321
Loss before income taxes (163.125) (4) 315 (25) (240) (459) (636) (416) (602) (242) (4,783) (1) (85) (110) (2,019) (386) 450 (1)		Operating expenses Research's development Setting several and admissipate Total operating expenses Loss from operations	210,806 (161,339)	1200 2-5 (120 140 - 140 441	53 31355 53 31315	24 24 (24)	657 (294)	805 25 25 25 25 25 25 25 25 25 25 25 25 25	338 (448 (5) 24,386 (5) 1367 32,661 (138 (5)	688 1 (429) 1 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1,007 1,007	1,550 1,600 (274)	1,651 6,660 8,581 (4,637)		85 85 (85)	636 636	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	2299 2299 (820)	495 495 495 (395)	(5,056) (5,239)	224	776 545 321 561)
	Netloss \$ (162,572) \$ (36) \$ 315 \$ (25) \$ (248) \$ (468) \$ (468) \$ (420) \$ (502) \$ (226) \$ (4,780) \$ (1) 5 (86) \$ (117) \$ (2,123) \$ (374) \$ 139 \$ (172,922)	Operating expenses (Research & development) (Selling, seneral and actrohistrative Total operating expenses (Loss from operations) (Interest expenses Interest from one (Operations)	210,806 210,806 (164,336)	447 447 (69)	3	24 24 (24)	657 657 (235)	805 805 472	1,387 1,387 (061)	688 (429)	1,007 1,007 3,627)	160 1,600 (276)	6,830 8,551 (4,637)		85 (85)	635 636 637 638 638 638 638 638 638 638 638 638 638		2299 2299 (829)	495 485 (985)	(5,239) (5,239)	224 1170	.776 .545 .321 .561)
用字的中间,有人的时间,他们是一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个		Operating expenses (Research & development) (R	210,806 210,806 (164,339) (164,339) (163,125)	447 (68)	3	24 (24) (24) (0) (25)	(657 657 (238) (5) (5)	805 805 (472) (473) (459)	1,597 1,367 1961 1961 10 125 (836)	572 688 (429)	1,007 1,007 (627)	1,600 1,600 (276) 6 34 (242)	5,561 (4,537) (4,783)		85 85 (85) (85)	636 636 (100)	2	2,299 (829) (109)	498 498 (395) 5 5 24	(5,056) (5,238) (5,238) (5,238) (5,238) (5,238) (5,238) (5,238)	224 224 3170	.776 .565 .321 .561) .166 .150) .545)
		Operating expenses (Research & development) (Selling, Seneral and Adrohistrative Total operating expenses (Loss from operations) (Injerest expenses Interest Income (Other Moome (Septense), No.) (Loss before income taxes	210,806 210,806 (164,339) (164,339) (163,125)	447 (68)	3	24 (24) (24) (0) (25)	(657 657 (238) (5) (5)	805 805 (472) (473) (459)	1,597 1,367 1961 1961 10 125 (836)	572 688 (429)	1,007 1,007 (627)	1,600 1,600 (276) 6 34 (242)	5,561 (4,537) (4,783)		85 85 (85) (85)	636 636 (100)	2	2,299 (829) (109)	498 498 (395) 5 5 24	(5,056) (5,238) (5,238) (5,238) (5,238) (5,238) (5,238) (5,238)	224 224 3170	,776 ,545 ,321 ,561 ,565 ,545)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidating Statement of Operations For the Three Months Ended September 30, 2011 (Unaudited) (In thousands)

<u>us</u>	Canada	Leasing	Netherlands	Italy	Deamark	Switzerland	France	Monago	Germany	UK	Taiwan	Singapore	Hong K	ong J	lepan A	ustralia	_IC eliminat	consolidated To	de
Revenues Automotive saids \$ 15.8	14 3 341	ž Žon	¥552215315	206	\$ 137	s 5,61a		i) je j	2,990. \$	16,073		1 3 17 16		527 8	set s	182		22) \$ 48.23	5
Development services 14,4	9 1			######################################														7£ 55505 1 448	T.
Intercompany Sevenue 27.4	œ.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			252			149	262		418							(28,		Ö
Total revenues	47411	701	SESTAND ASSESSMENT	468	407	(3,018)	150	298	3.189	18,791	0auprajo301		anna annasi	527	981	D) (182.)	99 1 1 1 1 1 1 1 1 1	54) - 157,69	6.]
Cost of revenues Automotive sales	ae jiji [160]	595			24			[1]] 1 28 (289		# 12.02.151 #			SK1,843355), sk. 10	Quanta di gara	i9 5): (7): (32,75	2
Development services 7.6	90 [[]] [] []			William I								Timenail		idere direkt			MOUNTA	150 //11/11/11/12 /12/19	Ø,
Intercempany COGS	50 147	JOZNAROZIKI		370	390	3 150	255	250	2,779	18,446		erinyeni		419	822	155	[] [] [28	53)	O.
Total cost of revenues 41,4	79 308	535	designation (vieta)	370	404		255	308	2,840	18,735	evine a decidencia	e e vigeyeansi	484 \$ Suises	418	856	165	111111129	48) 40,44	2.1
Legislation and accompany of the first property of the property of the second of the s																			
Gross profit 18.1	68 103	136		98	3	(168)	(105)	(10)	299	.56		-	-	108	125	17		94 17,22	
		136	enversørner aven	98 3450 (356)	President de la 121 de	OVER INCOME AND LABOUR.	A LEVY IN Donners of set	(10) 50(8)(1857/0) 50(8)(1857/0)	299	······		Shell of Both Reference		en in averini	125	17 ////////////////////////////////////	35193511533	94 17,22	4
Gross profit 18.1		Začioni zavron modori		9.45619219219219	President de la 121 de	OVER INCOME AND LABOUR.	60		299					en in averini		17		17,22 53) 54.08	4
Gross profit 16.1 Operating expenses Research & development	3431231212121212 8022131212121212	Začioni zavron modori	entiri sertima diulacia dili de	Sabili (1564) Sabili (1564)	zerodu da sug Lisu de du de di	hen and reduce	60	r pistu priku pr kanda la Ustaa	299 10		eungessan Confortes							17,22 83) 54 08	4 8
Gross profit 16.1 Operating expenses Research & development SS,7 66 ing, general and administrative 21.3	34 80 14 151	enggereret Gerefert		21 (122 (122 (122 (122 (122 (122 (122 (76 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	45 75 5 67 7 7	60		299 1027	.56 .461 .2,667				156/321 1 23 1 1550	14039 (1003) 14 725 (1003)	44.000.41 154		17,22 159 5-08 101 27,81 183 81,70	2 2
Operating expenses Research & development Research & development Z13 Total operating expenses 75.1 Loss from operations Interest expenses	560 181 14 161 46 188	enggereret Gerefert	24		270 270	45 170 149 45 677 677 170 121 (845)	60	436		56 461 2,567 3,058	107/180154			231 231	735	164 164 164 170 170 170		17,22 183) 54,08 181 27,81 183) 81,70	**************************************
Operating expenses Research & development Research & development 7.37 Celling, percent and administrative Total operating expenses 7.5.1 Leas from operations 155.8	54 151 151 152 153 153 153 153 153 153 153 153 153 153	enggereret Gerefert	24		270 270 270 (267)	677 677 677 (845)	50 153 214 (319)	436		56 461 2,567 3,058 (3,002)				231 231	735 (610)	154 154		994 17,22 939 25,54,06 931 27,63 831 31,70	2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Gross profit 16.1 Operating expenses Research & development 27.3 Celling, general and administrative 27.3 Total operating expenses 75.1 Loss from operations (55.8 Interest expense Interest noome Other Income (expense), but (88.8)	54 151 151 152 153 153 153 153 153 153 153 153 153 153	EBLUSSESES EREFERTE 17 EREFERTE	24 24 (24)	229 229 (191) 0 (25) (107)	270 270 (267) (267) (230)	677 677 (845) 0 (446) (700)	214 (319) (296)	436 (445) (402)	299 299 290 295 200 200 200 200 200 200 200 200 200 20	56 2,567 3,058 (3,002)				231 (123)	735 (éto) (160) (770)	154 454 (137). (137). (38). (59).		17,22 153) 54.08 153) 51,70 164.47 165,311 (64.47	# # # # # # # # # # # # # # # # # # #

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: November 22, 2011

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of October 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their eash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By: Mus	
Name: <u>Deepak Ahuja</u>	
Title: CEO	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.4(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of October 31, 2011 (in thousands)

	Oct-11
Assets	(Unaudited)
Current Assets	•
Cash and cash equivalents	\$ 179,840
Restricted cash	55,305
Short lerm marketable securities	64,915
Accounts receivable	20,839
Inventory	
Prepaid expenses and other current assets	13,075
Total current assets	382,594
Operating lease vehicles, net	11,627
Property and equipment, net	257,542
Restricted cash	6,124
Other assets	22,602
Total assets	-\$680 _i 488
Liabilities and Stockholders' Equity Current Liabilities Accounts:payable	\$ 48,906
Accrued liabilities	28,671
Deferred revenue	20,071
Capital lease obligations, current portion	378
Reservation payments	75,203
Total current liabilities	155,300
	1,
Gommon stock-warrant liability	8,189
Capital lease obligations, less current portion	644
Long-term debt	225,000
Deferred revenue, less current portion	3,655
Other long term liabilities	14,210
Total liabilities	406,997
Stockholders' equity	
Common stock	104
Additional paid in capital	882,648
Accumulated other comprehensive income (loss)	(164)
Accumulated deficit	(609,097)
Total stockholders' equity	273,491
REPORT OF CHARACTER CONTRACT OF THE CHARACTER CONTRACT OF CONTRACT CONTRACT OF	
Total liabilities and stockholders' equity	\$ 680,488

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and ten Months ended October 31, 2011 (In thousands)

	Oct-11 (Unaudited)	YTO 2011 (Unaudited)
Revenue	Chadalou	Couragnesi
Automotive sales	\$ 11,018	\$126 _i 909
Development services	_416_	49,393
Fotal revenues:	11,435	176,302
Cost of revenues		
Automotive sales	8-105	98,346
Development services	127	20,993
Total cost of revenues	8,232	4,9,639
Gross prolit	3,203	56,962
On small the second size		
Operating expenses Research & development	16,990	
Selling, general and administrative	7,005	83,560
Total operating expenses	23,995	248,316
Operating loss	(20,793)	(191,354)
1.795	A STATE OF THE STA	
Interest income	31	197
Interest expense Other income (expense)	(406) (27)	(406) 1 (2-177)
Loss before income taxes	(21,194)	(193,740)
i tax		377
Net loss	\$ <u>(21,194</u>)	(194,116)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month and ten Months ended October 31, 2011 (in thousands)

(in triodataids)	8333	Oct-11	YTD,2011
		(Unaudited)	(Unaudited)
Cash flows from Operating activities		Contraction	(corraduced)
Net loss	s	(21,194)	(194,116)
Adjustments to reconcile net loss to net cash			
used in provided by operating activities:	24-1-1-1-1	(2001 to the state of the state	The second second second
Depreciation and amortization	11.0	1.462	13,577
Change in fair value of warrant liability	22.72.000		2,101
Discounts and premiums on short-term marketable securities	elenistra (s Vant	4	(127)
Stock based compensation			20,737
Loss on abandonment of fixed assets		45 To (7)	155
Inventory writedowns		-	1,420
Changes in operating assets and liabilities:	1444		
Accounts receivable		(2,589)	(14,129)
Inventory		596	(5,449)
Prepald expenses and other current assets		(2,314)	(3,499)
Operating lease Vehicles		(103)	(4,890)
Other assets		(21)	(356)
Accounts payable and accrued liabilities		(3,981)	34,018
Other long term flabilities		(355)	1,936
Deferred revenue	IV.	(5)	(1,621)
Reservation payments		9,988	44,448
Net cash used in operating activities		(18,519)	(105,795)
Cash flows from Investing activities	Manager 1	CANTENNES O LONG CANTENNES CON LA CONTRACTOR DE LA CONTRA	
Purchases of property and equipment; excluding capital leases	H10-15	(15,279)	(158,913)
Withdrawais from (transfers into) our dedicated Department of Energy account			18,292
Purchases of short-term/marketable securities			(64,952)
Decrease (increase) in restricted cash deposits		(370)	(1,257)
Net cash used in:investing activities		(15,649)	(206,830)
Deck their Electric Street and the Control of the			
Cash flows from Financing activities Proceeds from notes payable			153,172
Issuance of common stock from secondary offering	Franks		172,728
Issuance of common stock from secondary orientg			172,726 59,058
Other issuances of common stock	7	707	8,519
Principal payments on capital leases and other debt	10 10 10 10 10 10 10 10 10 10 10 10 10 1	- (27)	(252)
Deferred issuance costs		The Control of the Co	(318)
Nel cash provided by linancing activities	erene.	680	392,907
Aer near blicared by Wilding agranted	- contract	<u> </u>	The same of the sa
Increase (decrease) in cash and cash equivalents		(33,488)	80,282
Elizabilitativa Comando de la Comando de Com	K N HOW		AL INCOMES IN COMPANY AND ADDRESS OF THE PARTY OF THE PAR
Cash and cash equivalents, beginning of period		213,328	99,558
	- Special and the	energenenjihi je Poli Si Poli Si di Kristija je b	The state of the State of the California (Agency of the State of S
Cash and cash equivalents end of period	\$	179,840 \$	179,840
**************************************	-		

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of October 31, 2011	\$382,594,000	
Total current liabilities as of October 31, 2011	\$80,096,923	Covenant
Current ratio as of October 31, 2011	4.78 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		
Cash balance as of October 31, 2011	\$244,755,161	Covenant Requirement
Total Cash Balance	\$244.755.161 >	\$15,000,000 \$5,044,602 Interest Expense Annualized \$20,044,602

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: February 28, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of January 31, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	Allerja	
Ву:	47007	_

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of January 31, 2012 (In thousands)

	1/31/2012
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents \$	209,022
Restricted cash	22,978
Short-term marketable securities Accounts receivable	25,044 7,221
Inventory	51,887
Prepaid expenses and other current assets	9.748
Total current assets	325,900
Operating lease vehicles, net	11,550
Property and equipment, net	312,658
Restricted cash	7,881
Other assets	22,363
Total assets \$	680,352
Liabilities and Stockholders' Equity Current Liabilities Accounts payable \$3	46,090
Accrued liabilities	28,777
Deferred revenue	1,611
Capital lease obligations, current portion	1,597
Reservation payments	96,374 į
Current portion of long term debt	7,916
Total ourrent liabilities	182,365
Common stock warrant liability Capital lease obligations, less current portion Long-term debt, less current portion Deferred revenue, less current portion Other-long term liabilities Total liabilities	8,838 2,812 268,336 3,590 14,952 480,891
Stockholders' equity Common stock Additional paid in capital Accumulated other comprehensive income (loss) Accumulated deficit Total stockholders' equity	105 893,618 1 (694,263) 199,461
Total liabilities and stockholders' equity	680,352

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date Indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month ended January 31, 2012 (In thousands)

	Jan-12 (Unaudited)	YTD 2012 (Unaudited)
Revenue Automotive sales	\$ 2,297	\$ 2,297
Development services:	642	642
Total revenues	2,939	2,939
Cost of revenues Automotive sales	1,963	1,963
Development services	.	
Total cost of fevenues	3,414	3,1447
Gross profit	(175)	(176)
Operating expenses Research & development	16,603	16,603
Selling, general and administrative	7,609	7,609
Total operating expenses	24,212	24,212
Operating loss	(24,387)	(24,387)
Interest Income Interest expense Other income (expense)	31 (461) (55)	31 (461) (65)
Loss before income taxes	(24,871)	(24,871)
Tax		
Net loss	(24,871)	\$ (24,871)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month ended January 31, 2012 (in thousands)

	Jan-12	YTD 2012
· · · · · · · · · · · · · · · · · · ·	(Unaudited)	(Unaudited)
Cash flows from Operating activities		
Net loss	\$ (24,871)	\$ (24,871)
Adjustments to reconcile net loss to net cash		
used in provided by operating activities;	i manazati errek errak i 1950 a 1956 eta 1960 e	400
Depreciation and amortization	1,105	1,105
Discounts and premiums on short-term marketable securities	14	14 (2-20-20-20-20-20-20-20-20-20-20-20-20-20
Non cash charges related to fixed assets	100	100
Changes In operating assets and flabilities:	nina na september de la companya de	
Accounts receivable	2,318	2,318
Inventory	(3,008)	(3,008)
Prepaid expenses and other current assets Other assets	(40)	(40)
1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	(9,144)	8 (\$\$\$\\$\\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Accounts payable Accrued liabilities	(9,144) (1,409)	(9,144) (1,409)
Other long term liabilities	(1,408)	37
Deferred revenue	(289)	(289
Reservation payments	4.612	4,612
Net cash used in operating activities	(30,566)	(30,566)
Cash flows from Investing activities		
Purchases of property and equipment, excluding capital leases	(16,478)	(16,476)
Withdrawals from (transfers into) our dedicated Department of Energy account	(1)	(1)
nvestment in short-lerm marketable securities	(14,992)	(14,992)
Maturities of short-term marketable securities	15,000	15,000
Decrease (increase) in restricted cash deposits	686	686
Net cash provided by (used in) investing activities	(15,783)	(15,783)
Cash flows from Financing activities		
Other issuances of common stock	282	282
rincipal payments on capital leases and other debt	(177)	(177)
Net cash provided by financing activities	105	105
Increase (decrease) in cash and cash equivalents	(46,244)	(46,244)
ash and cash equivalents, beginning of period.	255,266	255,266
ash and cash equivalents, end of period	\$ 209.022	\$ 209,022

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of January 31, 2012	\$325,900,000	
Total current liabilities as of January 31, 2012	\$85,991,000	Covenant.
Current ratio as of January 31, 2012	3.79	Requirement > 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of January 31, 2012	\$234,066,000	Requirement \$15,000,000
Total Cash Balance	\$234,066,000	\$5,785,954 Interest Expense Annualized \$20,785,954

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

From:

Simi Gupta

To:

Mates, Michael

Cc:

Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer; Waters, Charnice; LPO Portfolio

Subject:

Tesla Motors Financial Statements for February 2012

Date: Attachments: Friday, March 30, 2012 2:08:40 PM Tesla - DOE monthly compliance certificate February 2012.pdf

Mike,

Attached please find the Tesla Motors financial statements for February 2012 and the accompanying compliance certificate.

Regards,

Simi Gupta (b) (6)

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 29, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of February 29, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By:		Į	N_{\parallel}	100	
-					
	_			i	t e e e e e e e e e e e e e e e e e e e

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of February 29, 2012 (In thousands)

	2/29/2012
Assets	(Unaudited)
Current Assets	
Cash and cash equivalents	\$ 186,666
Restricted cash	26,935
Short-term marketable securities:	25 022
Accounts receivable	3,316
inventory	51,730
Prepaid expenses and other current assets	10,248
Total current assets	303,917
Operating lease vehicles, net	11,516
Property and equipment, net	330,802
Restricted cash	8,231
Other assets	22,522
Total assets	\$ 676,988
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	3 43,781
Accrued liabilities	25,549 .
Deferred revenue	
Capital lease obligations, current portion	2,621
Reservation payments	107,885
Current portion of long term debt	7,916
Total current liabilities	189,462
Common stock warrant liability	8,838
Capital lease obligations, less current portion	2,773
Long-term debt, less current portion	282,687
Deferred revenue, less current portion	3,657
Other long term liabilities	15,155
Total liabilities	502,570
Stackhalderel equity	
Stockholders' equity Common stock	
Additional paid in capital	899,083
Additional paid in capital Accumulated other comprehensive income (loss)	(6)
Accumulated deficit	(724,764)
Total stockholders' equity	174.418
	Production of the second secon
Total liabilities and stockholders' equity	\$ 676 <u>,988</u>

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and two months ended February 29, 2012 (In thousands)

	Feb-12 (Unaudited)	YTO 2012 (Unaudited)
Revenue Automotive sales	3,828	\$ 6,125
Development services		2,096
Total revenues	5,282	8,221
Cost of revenues Automotive sales	2,789	4,752
Development scryloes	1,164	2,305
Total cost of revenues	3,943	7,057
Gross profit	1,339	1,164
Operating expenses Research & development	21,947	38,661
Selling general and administrative	8,552	16,161
Total operating expenses	30,500	54,712
Operating loss	(29,161)	(53,548)
Interest income Interest expense Other income (expense)	(445) (923)	60 (906) (978)
Loss before income taxes	(30,500)	(55,371)
Jáx		
Net loss	(30,500)	\$ (<u>65</u> ,371)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statement of Cash Flows For the Month and two months ended February 29, 2012 (in thousands)

Cash flows from Operating activities (Unaudited) (Unaudited) Net loss \$ (30,500) \$ (55,371) (55,371) Adjustments to reconcilementalists to net cash mused in provided by operating activities. ————————————————————————————————————	,,		Feb-12		YTD 2012
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Adjustments to reconcilement as to net cash tused in provided by operating activities 1.326 2.589 Discounts and premiums on short-term marketable securities 14 28 Non cash charges related to fixed assots 58 168 1	Cash flows from Operating activities		,		
1326 2.589		\$	(30,500)	\$	(55,371)
Depreciation and amortization 1,326 2,589 Discounts and premiums on short-term marketable securities 14 28 Non cash charges related to fixed assets 56 168 168 Changes in operating assets and liabilities: 3,905 6,224 Inventory 158 (2,851) Prepaid expenses and other duirent assets (500) (540) Operating lease vehicles (103) (103) Other assets (103) (103) Other assets (159) (1,651) Accounts payable (2,309) (11,453) Other long term liabilities (203) (240) Other long term liabilities (10,23) Reservation payments (166) (123) Reservation payments (15,111 (16,124) Net cash used in operating activities (19,456) Cash flows from investing activities (19,456) Curiasses of property and equipment, excluding capital leases (18,343) (34,077) Withdrawals from (transfers into) our dedicated Department of Energy account (3,457) (3,459) Investinant in short, term marketable securities (13,992) Muturities of short-term marketable securities (13,992) Decrease (interease) in restricted (185) deposits (850) (164) Net cash provided by (used in) investing activities (22,650) (38,592) Cash flows from Financing activities (14,352) Proceeds from notes payable (14,352) Proceeds from notes payabl		ŠTOLĖ,			
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Cash and cash equivalents, beginning of period 209,022 255,266	Net cash provided by financing activities		19,752		19,857
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Cash and cash equivalents, and of period \$ 186,666 \$ 186,666.	A STATE OF THE STA				
	Cash and cash equivalents, end of period	\$=	186,666	\$	186,666

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of February 29, 2012	\$303,917,000	
Total current liabilities as of February 29, 2012	\$81,576,752	Covenant
Current ratio as of February 29, 2012	3.73	Requirement > 1:40
In accordance to Annex 9.1 (c) (ii)		
Cash balance as of February 29, 2012	\$211,688,000	Covenant Requirement \$15,000,000
Total Cash Balance	\$211,688,000	\$6,761,726 Interest Expense Annualized \$21,761,726

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3,	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Sections 8.1(c)(iii)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 30, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(c)(iii)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010, as amended to date (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(c) of the Arrangement Agreement, the borrower hereby supplies:
 - o Exhibit 8.1(c)(i): Audited consolidated Financial Statements for 2011
 - o Exhibit 8.1(c)(ii): Unaudited Consolidating Financial Statements for 2011
 - o Exhibit 8.1(c)(iv): Audit Report from PwC
 - o Exhibit 8.1(c)(y): Management Representation Letter
 - o Exhibit 8.1(c)(vi): No Default Letter from PwC
- 2. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(c)(i) and Exhibit 8.1(c)(ii) are audited consolidated Financial Statements of the Borrower and its Subsidiaries for the Fiscal Year ended as of December 31, 2011, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such Fiscal Year (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years,

- subject, in the case of unaudited Financial Statements, to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 3. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, except as previously disclosed to the DOE, no Default or Event of Default has occurred;
- 4. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements;
- 5. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period;
- 6. Pursuant to Section 8.1(d)(v)(A) of the Arrangement Agreement, there has been no material change in the information set forth in the Collateral Schedules since February 28, 2012 (except to the extent set forth in one or more Collateral Supplements previously executed and delivered to DOE and the Collateral Trustee);
- 7. Pursuant to Section 8.1(d)(v)(B) of the Arrangement Agreement, all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations required to be made under the Loan Documents, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in the Organizational Information Schedule or pursuant to paragraph 5 above to the extent necessary to protect and perfect the security interests under the Security Documents for a period of not less than eighteen (18) months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);
- 8. Pursuant to Section 8.1(d)(v)(C) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(v)(C)-1 is an outline of all material insurance coverage maintained as of the date hereof by the Borrower and its Subsidiaries; and
- 9. Pursuant to Section 8.1(d)(v)(D) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(v)(C)-2 is an outline of all material insurance coverage expected to be maintained by the Borrower and its Subsidiaries in the immediately succeeding Fiscal Year.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By:	
•	

Name: Deepak Ahuja

Title: CFO

EXHIBITS

Exhibit 8.1(c)(i)	Audited consolidated Financial Statements for 2011
Exhibit 8.1(c)(ii)	Unaudited Consolidating Financial Statements for 2011
Exhibit 8.1(c)(iv)	Audit Report from PwC
Exhibit 8.1(c)(v)	Management Representation Letter
Exhibit 8.1(c)(vi)	No Default Letter from PwC
Exhibit 8.1(d)(iii)	Financial Covenants
Exhibit 8.1(d)(iv)	Excess Equity Proceeds Amount
Exhibit 8.1(d)(v)(C)-1	Current Material Insurance Coverage
Exhibit $8.1(d)(v)(C)-2$	Material Insurance Coverage for 2012

Exhibit 8.1(c)(i)

Audited consolidated Financial Statements for 2011

Exhibit 8.1(c)(i)

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

	rage
Report of Independent Registered Public Accounting Firm	2
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Tesla Motors, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Tesla Motors, Inc. and its subsidiaries at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America, Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits (which was an integrated audit in 2011). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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 or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP San Jose, California February 27, 2012

Consolidated Balance Sheets (in thousands, except share and per share data)

	December 31, 2011		Dec	December 31, 2010	
Assets					
Current assets					
Cash and cash equivolents	\$	255,266	\$	99,558	
Short-term marketable securities		25,061	•		
Restricted cash		23,476		73,597	
Accounts receivable		9,539		6,710	
Idventory		50,082		45,182	
Propaid expenses and other current assets		9,414		10,839	
Total current assels		372,838		235,886	
Operating lease vehicles, net		11,757		7,963	
Property, plant and equipment, net		298,414		114,636	
Restricted cash		8,068		4,867	
Other assets		22,371		22,730	
Total assets	_ \$	713,448	_\$	386,082	
Liabilities and Stockholders' Equity					
Current flabilities					
Accounts payable	\$	56,141	\$	28,951	
Accrued fiabilities		32,109		20,945	
Deferred revenue		2,345		4,635	
Capital lease obligations, current portion		1,067		279	
Reservation payments		91,761		30,755	
Long-term debt, current portion		7,916		<u> </u>	
Total current liabilities	,	191,339		85,565	
Common stock warrant liability		8,838		6,088	
Capital lease obligations, less current partion		2,830		496	
Defenred revenue, less current portion		3,146		2,783	
Long-term debt, less current portion		268,335		71,828	
Other long-term liabilities		14,915		12,274	
Total liabilities	-	489,403		179.034	
Commitments and contingencies (Note 15) Stockholders' equity:					
Preferred stock; \$0.001 par value; 221,903,982 shares authorized; no shares issued and outstanding				_	
Common stock; \$0.001 par value; 2,000,000,000 shares authorized as of December 31, 2011 and				_	
2010, respectively; 104,530,305 and 94,908,370 shares issued and outstanding as of December					
31, 2011 and 2010, respectively					
		104		95	
Additional paid-in capital		893,336		621,935	
Accumulated other comprehensive loss		(3)		(414 692)	
Accumulated deficit Total stockholders' equity		(669,392)		(414,982)	
	- <u>\$</u>	224,045	<u>-</u>	207,048	
Total liabilities and stockholders' equity	*	713,448	<u> </u>	386,082	

Consolidated Statements of Operations (in thousands, except share and per share data)

	Year Ended December 31,					
	2011		2010			2009
Revenues						
Automotive sales	\$	148,568	\$	97,078	\$	111,943
Development services		55,674		19,666		<u> </u>
Total revenues		204,242		116,744		111,943
Cost of revenues						
Automotive sales		115,482		79,982		102,408
Development services		27,165		6,031		
Total cost of revenues		142,647		86,013	•	102,408
Gross profit		61,595		30,731		9,535
Operating expenses						
Research and development (net of development compensation of						
\$23,249 for the year ended December 31, 2009)		208,981		92,996		19,282
Selling, general and administrative		104, 102		84,573		42,150
Total operating expenses		313,083		[77,569		61,432
Loss from operations		(251,488)		(146,838)		(51,897)
Interest income		255		258		159
Interest expense		(43)		(992)		(2,531)
Other expense, net		(2,646)		(6,583)		(1,445)
Loss before income taxes		(253,922)		(154,155)		(55,714)
Provision for income taxes		489		173		26
Net loss	\$	(254,411)	\$	(154,328)	_\$_	(55,740)
Net loss per share of common stock, basic and diluted	\$	(2.53)	\$	(3.04)	\$	(7.94)
Weighted average shares used in computing net loss per						
share of common stock, basic and diluted	10	0,388,815		50,718,302		7,021,963

Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit) (in thousands, except share and per share data)

			1				Accumulated	Total
					Additional			Stockholdur*
	Course tible Pr	referred Stock	Cognitive S	Harit	Vaid-In	Accusulated	Comprehenite	Equitor*
	Shares	Amount	Metes	Autount	Capital	Dendi	Low	(b)Gd0
Dalance as of December 31, 2008	78,153,195	\$ 101,178	7,010,631	\$ 7	5 5,193	\$ (201,914)	3 -	
Issupple of Sinks & convenible preferred stock in May 2009 (instruite of concernion of note payable) at \$2.51 per about, not			1,000,000		5 0,000	2 (201,221,	*	. 4,
of issuance cost of \$556	102:376,779	E35,619	1 .		-			
Issuance of Series F contratible perferred efect in August 2009 at \$2.07 year there, but of features cont of \$11.2	27,765,263	22,378			_			_
Industrial of common about upon entreless of stock options, not of repurchases	Tri bank and	,	273,769		497			492
Sincle-based compensation			2106103		1,434	•		1,434
Net loss	-		1 :		1,44	(55,740)		(55.740)
Balance as of December 3t, 1069	208,917,237	319,225	7,264,200		7,124	(260,654)		(253,523)
Issnamo of common stock in July 2010 faith) public offering at \$17.00 per stare, zet of insuance cost of \$17.497	******	312,003	11,860,600	ı i	184,461	(200,004)		121,473
Inspance of Economics stock to July 2010 concurrent pulyate placement at \$17.00 per share			2,941,176	3	49,997			\$1,000
Espance of Common stock in November 2010 private pleasurest at \$21.15 per share, and of Espance costs of \$11	_	_	1,418,533	- 1	29,957	_		29,958
Course upon of questioned strick into whatened consumer stock			70,225,848	70	319,155			319,225
Issuances feaving a stock your references of warrants	[20K,917,237]	(319,725)	445,042	- 7	1,662		_	8.663
issuance of common stock upon entries of stock options, not of programses		go 1.5 pass y	711,930	i	1,149	-		1,350
Tay benefits from starteness equity sometic			1		74			74
Size k-baned compounts from	_		Ι.	-	21,156	_		21,156
Net loss						(154,328)		(151,328)
Halance as of December 31, 1010			94,904,370	95	621,935	(414,982)	-	201,018
becomes of common stock to true 2012 public offering at \$25,76 per abuse, not of impacts corts of \$305	_	_	6,075,000	6	ET2,403	7		172,409
lengance of conserve stock in June 2011 concurrent paire to alacements at \$24,76 per share	-	-	2,013,475	2	39,056			39.058
leadance of common atock upon exercise of most aprions, not of repurchases	_		1,239,002	ï	6.642	-		6,613
becauses of complete under employee stack purchase gian	-		223,458		3,382	-		3,882
Stock-based compensation					25,419	-		29,419
Congression to see			l					
tietioss	-					(254,411)		(254,411)
United Read bots on the street numberable securities, not			-				(3)	(3)
Tutal conspectedative loss			·					(254,414):
Deliner as of Desember 31, 2011		5	104,530,105	\$ 104	5 893,337	5 (659,393)	5 (3)	S 224.045

Consolidated Statements of Cash Flows (in thousands)

· ·	uoiti.	,	aer Tree	led December	.11	
•		2011	47 1216	2010	21,	2009
		•				
Cash Flows From Operating Activities						
Net loss	\$	(254,411)	\$	(154,328)	\$	(55,740)
Adjustments to reconcile net loss to net each used in operating activities:						
Depresiation and amortization		16,919		10,623		6,940
Change in fair value of warrant liabilities		2,750		5,022		1,128
Only on extinguishment of convertible notes and warrants		-		-		(1,468)
Discounts and premiums on short-term marketable securities		(112)				
Stock-based compensation		29,419		21,156		1,434
Excess tax benefits from slock-based compensation		-		(74)		
Loss on abandonment of fixed assets		345		8		385
Inventory write-downs		1,828		951		1,353
Interest on convertible notes		•		-		2,686
Changes in operating assets and Habilities Accounts receivable		(2.020)		(2.220)		(1/20)
Inventories and operating lease vehicles		(2,829)		(3,222)		(168)
		(13,638)		(28,513)		(7,925)
Prepaid expenses and other current assets Other assets		(248)		(4,977)		(2,042)
Accounts payable		(288) 31,859		(463)		(445) 902
Accrued Habilities		12,321		(212) 13,345		3.387
Deferred development compensation		12,321		(156)		(10,017)
Deferred revenue		(1,927)		4,801		(1,456)
Reservation payments		61,006		4,707		(21,971)
Other long-term liabilities		2,641		3,515		2,192
Net cash used in operating activities		(114,364)		(127,817)		(80,825)
Cash Flows From Investing Activities		(11/)5-0-17		(22,152,7)	-	Tao,ouzy
Purchases of marketable securities		(64,952)				_
Maturities of short-term marketable securities		40,000		-		_
Payments related to acquisition of Fremont manufacturing facility and related assets		-		(65,210)		-
Purchases of property and equipment excluding capital leases		(197,896)		(40,203)		(11,884)
Withdrawals out of (transfers into) our dedicated Department of Energy account, not		50,121		(73,597)		
Increase in other restricted each		(3,201)		(1,287)		(2,360)
Net cash used in investing activities		(175,928)		(1B0,297)		(14,244)
Cash Flows From Financing Activities Proceeds from issuance of common stock in public offerings		150 110		100.014		
Proceeds from issuance of common stock in phone otherings Proceeds from issuance of common stock in private placements		172,410 59,058		188,842 80,000		•
Proceeds from issuance of Series P convertible preferred stock, net of issuance costs of		39,036		۵0,000		-
\$122						82,378
Proceeds from issuance of Series E convertible preferred stock, net of issuance costs of		-		-		62,316
\$556		_		_		49,444
Principal payments on capital leases and other debt		(416)		(315)		(322)
Proceeds from long-term debt and other long-term liabilities		204,423		71,828		(322)
Proceeds from issuance of convertible notes and warrants		204,425		,,,,,,,		25,468
Proceeds from exercise of stock options and other stock issuances		10,525		1,350		497
Excess tax benefits from stock-based compensation		-		74		-
Deferred common stock and loan facility issuance costs		_		(3,734)		(2,046)
Net cash provided by financing activities		446,000		338,045		155,419
Net increase in each and each equivalents		155,708		29,931		60,350
Cash and cash equivalents at beginning of period		99,558		69,627		9,277
Cash and cash equivalents at end of period	S	255,266	\$	99,558	\$	69,627
Supplemental Disclosures						
Interest paid	\$	3,472	\$	1,138	\$	70
Income taxes paid		282		9		171
Supplemental noncash investing and financing activities Conversion of preferred stock to common stock				319,225		
		-				-
Issuance of common stock upon not exercise of warrants Issuance of convertible preferred stock warrant		-		6,962 6,294		•
Issuance of common stock warrant		-		1,701		-
Conversion of notes payable to Series E convertible preferred stock		•		1,101		86,225
Exchange of convertible notes payable		-				19,073
Exchange of accrued interest for convertible notes payable				•		1,791
Acquisition of property and equipment		2,703		4.482		1,751
		2,,00		.,		100

Notes to Consolidated Financial Statements

1. Overview of the Company

Tesla Motors, Inc. (Tesla, we, us or our) was incorporated in the state of Delaware on July 1, 2003. We design, develop, manufacture and sell high-performance fully electric vehicles and advanced electric vehicle powertrain components. We have wholly-owned subsidiaries in North America, Europe and Asia. The primary purpose of these subsidiaries is to market and/or service our vehicles.

Since inception, we have incurred significant losses and have used approximately \$445.0 million of cash in operations through December 31, 2011. As of December 31, 2011, we had \$280.3 million in cash and cash equivalents and short-term marketable securities. We are currently selling the Tesla Roadster and are developing the Model S sedan which we currently expect to introduce commercially in 2012. In February 2012, we revealed an early prototype of our Model X crossover.

Unadjusted Error in 2009

In June 2010, we identified an error related to the understatement in stock-based compensation expense subsequent to the issuance of the consolidated financial statements for the year ended December 31, 2009.

In the fourth quarter of 2009, we granted certain stock options for which a portion of the grant was immediately vested. We erroneously accounted for the expense on a straight-line basis over the term of the award, while expense recognition should always be at least commensurate with the number of awards vesting during the period. As a result, selling, general and administrative expenses and net loss for the year ended December 31, 2009 were understated by \$2.7 million. The error did not have an effect on the valuation of the stock options. As stock-based compensation expense is a non-cash item, there was no impact on net cash used in operating activities for the year ended December 31, 2009.

To correct this error, we recorded additional stock-based compensation of \$2.4 million in the three months ended June 30, 2010. We considered the impact of the error on reported operating expenses and trends in operating results and determined that the impact of the error was not material to previously reported financial information as well as those related to the year ended December 31, 2010.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of Tesla and its wholly owned subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and reported amounts of expenses during the reporting period, including revenue recognition,

inventory valuation, warranties, fair value of financial instruments and stock-based compensation. Actual results could differ from those estimates.

Revenue Recognition

We recognize revenues from sales of the Tesla Roadster, including vehicle options and accessories, vehicle service and sales of zero emission vehicle (ZEV) credits, and sales of electric vehicle powertrain components. We recognize revenue when: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred and there are no uncertainties regarding customer acceptance; (iii) fees are fixed or determinable; and (iv) collection is reasonably assured.

Effective January 1, 2011, we adopted amended accounting standards issued by the Financial Accounting Standards Board (FASB) for multiple deliverable revenue arrangements on a prospective basis for applicable transactions originating or materially modified after January 1, 2011. The new standard changes the requirements for establishing separate units of accounting in a multiple element arrangement and requires the allocation of arrangement consideration to each deliverable to be based on the relative selling price. For fiscal 2011 and future periods, when a sales arrangement contains multiple elements, we allocate revenue to each element based on a selling price hierarchy. The selling price for a deliverable is based on its vendor specific objective evidence (VSOE) if available, third party evidence (TPE) if VSOE is not available, or estimated selling price if neither VSOE nor TPE is available. To date, we have been able to establish the fair value for each of the deliverables within the multiple element arrangements because we sell each of the vehicles, vehicles accessories and options separately, outside of any multiple element arrangements. Therefore, there were no material differences between total revenue reported and pro forma total revenues that would have been reported during the year ended December 31, 2011, if the transactions entered into or materially modified after January 1, 2011 were subject to previous accounting guidance.

Automotive Sales

Automotive sales consisted of the following for the periods presented (in thousands):

	Year Ended December 31,					
	2011		2010		2009	
Vehicle, options and related sales	\$ 101,708	\$	75,459	\$	111,555	
Powertmin component and related sales	46,860_		21,619		388	
Total automotive sales	\$ 148,568	3	97,078	\$	111,943	

Automotive sales consist primarily of revenue earned from the sales of the Tesla Roadster, vehicle service, and vehicle options, accessories and destination charges as well as sales of ZEV credits. Automotive sales also consist of revenue earned from the sales of electric vehicle powertrain components, such as battery packs and battery chargers, to other automotive manufacturers. Sales or other amounts collected in advance of meeting all of the revenue recognition criteria are not recognized in the consolidated statements of operations and are instead recorded as deferred revenue on the consolidated balance sheets. Prior to February 2010, we did not provide direct financing for the purchase of the Tesla Roadster although a third-party lender has provided financing arrangements to our customers in the United States. Under these arrangements, we have been paid in full by the customer at the time of purchase.

In regards to the sale of Tesla Roadsters, revenue is generally recognized upon delivery of the vehicle. Concurrent with a purchase order for a Roadster that is manufactured to specification, customers must remit a reservation payment (see Note 6). For vehicles purchased directly from our showrooms, no deposit is required. Approximately three months prior to production of a Tesla Roadster manufactured to specification, the reservation payment becomes nonrefundable when the customer enters into a purchase

agreement. In a limited number of circumstances, we may deliver a vehicle to a customer without all of the options ordered by the customer if the options do not limit the functionality of the vehicle. This may happen, for example, in an instance where the customer orders an additional hard top which is not ready at the time the vehicle is delivered. In such cases, we will continue to defer the related revenue based on the undelivered item's fair value, as evidenced by the contractual price of the option in stand-alone transactions.

Automotive sales also consist of revenue earned from the sales of vehicle options, accessories and destination charges. While these sales may take place separately from a vehicle sale, they are often part of one vehicle sale agreement resulting in multiple element arrangements. Contract interpretation is sometimes required to determine the appropriate accounting for recognition of our revenue, including whether the deliverables specified in the multiple element arrangement should be treated as separate units of accounting, and, if so, how the price should be allocated among the elements, when to recognize revenue for each element, and the period over which revenue should be recognized. We are also required to evaluate whether a delivered item has value on a stand-alone basis prior to delivery of the remaining items by determining whether we have made separate sales of such items or whether the undelivered items are essential to the functionality of the delivered items. Further, we assess whether we know the fair value of the undelivered items, determined by reference to stand-alone sales of such items. To date, we have been able to establish the fair value for each of the deliverables within the multiple element arrangements because we sell each of the vehicles, vehicle accessories and options separately, outside of any multiple element arrangements. As each of these items has stand alone value to the customer, revenue from sales of vehicle accessories and options are recognized when those specific items are delivered to the customer, Increased complexity to our sales agreements or changes in our judgments and estimates regarding application of these revenue recognition guidelines could result in a change in the timing or amount of revenue recognized in future periods.

In February 2010, we began offering a leasing program to qualified customers in the United States for the Tesla Roadster. Through our wholly owned subsidiary, qualifying customers are permitted to lease the Tesla Roadster for 36 months, after which time they have the option of either returning the vehicle to us or purchasing it for a pre-determined residual value. We account for these leasing transactions as operating leases and accordingly, we recognize leasing revenues on a straight-line basis over the term of the individual leases and record cost of sales equal to the depreciation of the leased vehicles. As of December 31, 2011 and 2010, we had deferred revenues of \$0.8 million and \$1.1 million, respectively, of down payments which will be recognized over the term of the individual leases. Lease revenues are recorded in automotive sales and for the years ended December 31, 2011 and 2010, we recognized \$3.0 million and \$0.8 million, respectively.

Zero Emission Vehicle Credit Sales

California and certain other states have laws in place requiring vehicle manufacturers to ensure that a portion of the vehicles delivered for sale in that state during each model year are zero emission vehicles. These laws provide that a manufacturer of zero emission vehicles may earn credits, referred to as ZEV credits, and may sell excess credits to other manufacturers who apply such credits to comply with these regulatory requirements. As a manufacturer solely of zero emission vehicles, we have earned ZEV credits on vehicles sold in such states, and we expect to continue to earn these credits in the future. Since our only commercial vehicle is electric, we do not receive any benefit from the generation of ZEV credits, and accordingly look to sell them to other vehicle manufacturers. In order to facilitate the sale of these credits, we enter into contractual agreements with third parties requiring them to purchase our ZEV credits at pre-determined prices. We recognize revenue on the sale of these credits at the time legal title to the credits is transferred to the purchasing party by the governmental agency issuing the credits. Revenue from the sale of ZEV credits totaled \$2.7 million, \$2.8 million and \$8.2 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Extended Service and Battery Replacement Plans

We provide customers with the opportunity to purchase an extended warranty for the period after the end of our initial New Vehicle Limited Warranty to extend coverage for an additional three years or 36,000 miles, whichever comes first. We refer to this program as our Extended Service Plan. Amounts collected on these sales are initially recorded in deferred revenues on the consolidated balance sheets and recognized in automotive sales over the extended warranty period. As of December 31, 2011 and 2010, we had deferred \$1.5 million and \$1.2 million, respectively, related to the Extended Service Plan and have not yet recognized any related revenues.

Additionally, within three months of purchasing a vehicle, we provide customers with a one-time option to replace the battery packs in their vehicles at any time after the expiration of the New Vehicle Limited Warranty but before the tenth anniversary of the purchase date of their vehicles. We refer to this program as our Battery Replacement Plan. Amounts collected on these sales are initially recorded in deferred revenues on the consolidated balance sheets and recognized in automotive sales as we fulfill our obligation to replace the battery packs. As of December 31, 2011 and 2010, we had deferred \$1.2 million and \$0.9 million, respectively, related to the Battery Replacement Plan and have not yet recognized any related revenues.

Development Services Revenue

Revenue from development services arrangements consist of revenue earned from the development of electric vehicle powertrain components for other automobile manufacturers, including the design and development of battery packs, chargers and sample vehicles to meet a customer's specifications. Beginning in the quarter ended March 31, 2010, we started entering into such contracts with the expectation that our development services would constitute a viable revenue-generating activity. Revenue is recognized as the performance requirements of each development arrangement are met and collection is reasonably assured. Where development arrangements include substantive at-risk milestones, revenue is recognized based upon the achievement of the contractually-defined milestones. Amounts collected in advance of meeting all of the revenue recognition criteria are not recognized in the consolidated statement of operations and are instead recorded as deferred revenue on the consolidated balance sheets. Costs of development services are expensed as incurred. When development services arrangements have multiple elements, we evaluate the separability of the various deliverables to ensure appropriate revenue recognition. Costs of development services incurred in periods prior to the finalization of an agreement are recorded as research and development expenses; once an agreement is finalized, these costs are recorded in cost of revenues.

Prior to 2010, compensation from the Smart fortwo EV development arrangement with Daimler AG (Daimler) (see Note 14), was recorded as an offset to research and development expenses. This early arrangement was motivated primarily by the opportunity to engage Daimler and at the same time, jointly progress our own research and development activities with the associated development compensation. All amounts received under the Smart fortwo EV agreement were recognized as an offset to research and development expenses, as we were performing development activities on behalf of Daimler, were being compensated for the cost of these activities and could not practicably separate the efforts or costs related to these activities from our own research and development.

Freestanding Stock Warrants

We accounted for freestanding warrants to purchase shares of our convertible preferred stock as liabilities on the consolidated balance sheets at fair value upon issuance. The convertible preferred stock warrants were recorded as a liability because the underlying shares of convertible preferred stock were contingently redeemable which therefore, may have obligated us to transfer assets at some point in the

future (see Note 8). The warrants were subject to re-measurement to fair value at each balance sheet date and any change in fair value was recognized in other expense, net, on the consolidated statements of operations. For our Series C and other Series E convertible preferred stock warrants, excluding the Department of Energy (DOE) warrant, we adjusted the liability for changes in fair value through the completion of our IPO on July 2, 2010. At that time, the convertible preferred stock warrants were net exercised and the related liability was reclassified to additional paid-in capital. For the Series E convertible preferred stock warrants issued to the DOE (see Note 9), we adjust the liability for changes in fair value until the earlier of vesting or expiration of the warrants. Upon the completion of our IPO, the DOE warrant converted into a warrant to purchase our common stock and the related liability will continue to be adjusted for changes in fair value until the earlier of vesting or expiration of the warrants. If the warrants are exercised, the warrant liability will be reclassified to common stock or additional paid-in capital, as applicable.

Cash and Cash Equivalents

All highly liquid investments with an original or remaining maturity of three months or less at the date of purchase are considered to be cash equivalents. We currently deposit excess cash primarily in money market funds.

Marketable Securities

During the year ended December 31, 2011, we purchased marketable securities including commercial paper and corporate debt. All marketable securities are designated as available-for-sale and reported at estimated fair value, with unrealized gains and losses recorded in accumulated other comprehensive loss which is included within stockholders' equity. Realized gains and losses on the sale of available-for-sale marketable securities are recorded in other expense, net. The cost of available-for-sale marketable securities sold is based on the specific identification method. Interest, dividends, amortization and accretion of purchase premiums and discounts on our marketable securities are included in other expense, net. Available-for-sale marketable securities with maturities greater than three months at the date of purchase and remaining maturities of one year or less are classified as short-term marketable securities. Where temporary declines in fair value exist, we have the ability and the intent to hold these securities for a period of time sufficient to allow for any anticipated recovery in fair value.

We regularly review all of our marketable securities for other-than-temporary declines in fair value. The review includes but is not limited to (i) the consideration of the cause of the impairment, (ii) the creditworthiness of the security issuers, (iii) the length of time a security is in an unrealized loss position, and (iv) our ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Restricted Cash and Deposits

We maintain certain cash amounts restricted as to withdrawal or use. We maintained total restricted cash of approximately \$31.5 million and \$78.5 million as of December 31, 2011 and 2010, respectively. Current restricted cash primarily represents cash held in a separate, dedicated account required under our DOE loan facility (see Note 9) and used as a mechanism to defer advances under the DOE loan facility. Noncurrent restricted cash is comprised primarily of security deposits held by vendors as part of the vendor's standard credit policies, security deposits related to lease agreements and equipment financing, and certain refundable reservation payments segregated in accordance with state consumer protection regulations.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily include amounts related to sales of powertrain components and the performance of powertrain development services. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we provide an allowance against amounts receivable to reduce the net recognized receivable to the amount we reasonably believes will be collected. We typically do not carry accounts receivable related to our vehicle and related sales as customer payments are due prior to vehicle delivery.

Concentration of Risk

Financial instruments that potentially subject us to a concentration of credit risk consist of cash, cash equivalents, marketable securities, restricted cash and accounts receivable. Our cash and cash equivalents are primarily invested in money market funds with high credit quality financial institutions in the United States. At times, these deposits and securities may be in excess of insured limits. We invest cash not required for use in operations in high credit quality securities based on our investment policy. Our investment policy provides guidelines and limits regarding credit quality, investment concentration, investment type, and maturity that we believe will provide liquidity while reducing risk of loss of capital. Investments are of a short-term nature and include investments in corporate debt securities.

As of December 31, 2011 and 2010, our accounts receivable were derived primarily from sales of powertrain components to Daimler and the development of powertrain systems for Toyota Motor Corporation (Toyota) (see Note 14).

The following summarizes the accounts receivable in excess of 10% of our total accounts receivable:

	December 31,	December 31,
	2011	2010
Toyota	52%	42%
Daimler	38%	51%

Single source suppliers provide us with a number of components that meet our manufacturing requirements. For example, Lotus Cars Limited (Lotus) is the only manufacturer for certain components, such as the chassis of our Tesla Roadster. In other instances, although there may be multiple suppliers available, many of the components used in our vehicles are purchased by us from a single source. If these single source suppliers fail to satisfy our requirements on a timely basis at competitive prices, we could suffer manufacturing delays, a possible loss of revenues, or incur higher cost of sales, any of which could adversely affect our operating results.

Inventories and Inventory Valuation

Inventories are stated at the lower of cost or market. Cost is computed using standard cost, which approximates actual cost on a first-in, first-out basis. We record inventory write-downs based on reviews for excess and obsolescence determined primarily by future demand forecasts. We also adjust the carrying value of our inventories when we believe that the net realizable value is less than the carrying value. These write-downs are measured as the difference between the cost of the inventory, including estimated costs to complete, and estimated selling prices. Once inventory is written down, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Property, Plant and Equipment

Property, plant and equipment are recognized at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Computer equipment and software	3 years
Office furniture, machinery and equipment	3 to 7 years
Tooling	

Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the term of the related lease. Upon retirement or sale, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reflected in operations. Maintenance and repair expenditures are expensed as incurred, while major improvements that increase functionality of the asset are capitalized and depreciated ratably to expense over the identified useful life. Land is not depreciated.

In October 2010, we completed the purchase of our Tesla Factory located in Fremont, California and certain manufacturing assets and spare parts located thereon. As these assets are not yet ready for their intended use, they are classified within construction in progress and depreciation has not yet commenced (see Note 5).

Interest expense on outstanding debt is capitalized during the period of significant capital asset construction. Capitalized interest on construction in progress is included in property, plant and equipment, and is amortized over the life of the related assets.

Operating Lease Vehicles

Vehicles that are leased as part of our leasing program, are classified as operating lease vehicles. Operating lease vehicles are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the term of operating leases of three years. The total cost of operating lease vehicles recorded in the consolidated balance sheets as of December 31, 2011 and 2010 was \$13.7 million and \$8.4 million, respectively. Accumulated depreciation related to leased vehicles as of December 31, 2011 and 2010 was \$2.0 million and \$0.4 million, respectively.

Intangible Assets

Intangible assets with finite useful lives are amortized over their estimated useful lives. As of December 31, 2011, intangible assets are comprised of emission credits (see Note 5).

Long-lived Assets

We evaluate our long-lived assets, including intangible assets, for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Impairment exists if the carrying amounts of such assets exceed the estimates of future net undiscounted cash flows expected to be generated by such assets. Should impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's estimated fair value. As of December 31, 2011, we have not recorded any impairment losses on our long-lived assets.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses consist primarily of payroll, benefits and stock-based compensation of those employees engaged in research, design and development activities, costs related to design tools, license expenses related to intellectual property, supplies and services, depreciation and other occupancy costs. Also included in research and development are development services costs incurred, if any, prior to the finalization of agreements with our development services customers as reaching a final agreement and revenue recognition is not assured. Development services costs incurred after the finalization of an agreement are recorded in cost of revenues.

Advertising and Promotion Costs

Advertising and sales promotion costs are expensed as incurred. During the years ended December 31, 2011, 2010 and 2009, advertising, promotion and related marketing expenses were \$2.9 million, \$3.1 million and \$1.7 million, respectively.

Income Taxes

Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

We record liabilities related to uncertain tax positions when, despite our belief that our tax return positions are supportable, we believe that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense.

Stock-based Compensation

We recognize compensation expense for costs related to all share-based payments, including stock options. The fair value of share-based payment awards are estimated on the grant date using an option pricing model. Stock-based compensation expense is recognized on a straight-line basis over the service period, net of estimated forfeitures.

We have elected to use the "with and without" approach in determining the order in which tax attributes are utilized. As a result, we will only recognize a tax benefit from stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to us have been utilized. In addition, we have elected to account for the indirect effects of stock-based awards on other tax attributes, such as the research tax credit, through our consolidated statement of operations.

We account for equity instruments issued to non-employees based on the fair value of the awards. The fair value of the awards granted to non-employees is re-measured as the awards vest and the resulting change in fair value, if any, is recognized in the consolidated statements of operations during the period the related services are rendered.

For performance-based awards, stock-based compensation expense is recognized over the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable.

Foreign Currency Remeasurement and Transactions

For each of our foreign subsidiaries, the functional currency is the U.S. Dollar. For these foreign subsidiaries, monetary assets and liabilities denominated in non-U.S. currencies are re-measured to U.S. Dollars using current exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities denominated in non-U.S. currencies are maintained at historical U.S. Dollar exchange rates. Revenues and expenses are re-measured at average U.S. Dollar monthly rates.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Transaction gains and losses are recognized in other expense, net in the consolidated statements of operations and have not been significant for any periods presented.

We hedge a portion of our foreign currency exposures related to outstanding monetary assets and liabilities using foreign currency exchange forward contracts. In general, the market risk related to these contracts is offset by corresponding gains and losses on the hedged transactions. The credit risk associated with these contracts is driven by changes in interest and currency exchange rates and, as a result, varies over time. These contracts are not designated as hedges, and as a result, changes in their fair value are recorded in interest and other income, net, on our consolidated statements of operations. We do not enter into derivative contracts for trading purposes.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive loss. Other comprehensive loss consists of unrealized gains and losses on our available-for-sale marketable securities that have been excluded from the determination of net loss.

Warranties

We began recording warranty reserves with the commencement of Tesla Roadster sales in 2008. Initially, Tesla Roadsters were sold with a warranty of four years or 50,000 miles. Subsequently, Tesla Roadsters have been sold with a warranty of three years or 36,000 miles. Accrued warranty activity consisted of the following for the periods presented (in thousands):

Accrued warranty - beginning of period
Warranty costs incurred
Provision for warranty
Accrued warranty - end of period

	Year Ended December 31,							
	2011		2010	20	109			
- \$	5,417	\$	3,757	\$	858			
	(2,750)		(2,231)	(1,508)			
	3,648		3,891		4,407			
\$	6,315	-\$	5,417	\$	3,757			

We provide a warranty on all vehicle and production powertrain component and battery pack sales, and we accrue warranty reserves at the time a vehicle or production powertrain component is delivered to the customer. Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact our evaluation of historical data. We review our reserves at least quarterly to ensure that our accruals are adequate in meeting expected future warranty obligations, and we will adjust our estimates as needed. Warranty expense is recorded as a component of cost of revenues in the consolidated statements of operations. The portion of the warranty provision which is expected to be incurred within 12 months from the balance sheet date is classified as current, while the remaining amount is classified as long-term liabilities.

Environmental Liabilities

We are subject to federal and state laws and regulations for the protection of the environment, including those related to the discharge of hazardous materials and remediation of contaminated sites. In October 2010, we completed the purchase of our Tesla Factory located in Fremont, California from New United Motor Manufacturing, Inc. (NUMMI). NUMMI has previously identified environmental conditions at the Fremont site which affect soil and groundwater. As the owner of the Fremont site, we may be responsible for the entire investigation and remediation of any environmental contamination at the Fremont site, whether it occurred before or after the date we purchased the property. Upon the completion of the purchase in October 2010, we recorded the estimated fair value of the environmental liabilities that we assumed to be \$5.3 million. The fair value of these liabilities was determined based on an expected value analysis of the related potential costs to investigate, remediate and manage various environmental conditions that were identified as part of NUMMI's facility decommissioning activities as well as our own diligence efforts. Estimated potential costs are not discounted to present value as the timing of payments cannot be reasonably estimated.

Net Loss per Share of Common Stock

Our basic and diluted net loss per share of common stock is calculated by dividing net loss by the weighted-average shares of common stock outstanding for the period. Potentially dilutive shares, which are based on the number of shares underlying outstanding stock options, warrants and other convertible securities, are not included when their effect is antidilutive.

The following table presents the potential common shares outstanding that were excluded from the computation of basic and diluted net loss per share of common stock for the periods presented:

	Tett Ennen December 31,					
	2011	2010	2009			
Period-end stock options to purchase common stock	15,806,663	13,804,788	11,610,700			
Period-end DOE warrant to purchase common stock	3,090,111	3,090,111	-			
Period-end common stock subject to repurchase	278	2,669	46,421			
Period-end convertible preferred stock	-	-	70,226,844			
Convertible preferred stock warrants	•	•	516,506			

Recent Accounting Pronouncements

In June 2011, the FASB issued an accounting standard update, which revises the manner in which companies present comprehensive income in their financial statements. The new guidance removes the presentation options and requires entities to report components of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. In December 2011, the FASB further amended its guidance to defer changes related to the presentation of reclassification adjustments indefinitely. The guidance (other than the portion regarding the presentation of reclassification adjustments which, as noted above, has been deferred indefinitely) is effective for fiscal years, and interim periods within those years beginning after December 15, 2011. Early adoption is permitted. We anticipate adopting the guidance in fiscal 2012. We do not expect the adoption of the guidance to have a material impact on our consolidated financial statements.

In January 2010, the FASB issued updated guidance related to fair value measurements and disclosures which requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level I and Level II fair value measurements and to describe the reasons for the transfers. In addition, in the reconciliation of fair value measurements using Level III inputs, a reporting entity will be required to disclose information about purchases, sales, issuances and settlements on a gross rather than on a net basis. The updated guidance will also require fair value disclosures for each class of assets and liabilities and disclosures about the valuation techniques and inputs used to measure fair value for both

recurring and non-recurring Level II and Level III fair value measurements. The adoption of this updated guidance did not have a material impact on our consolidated financial statements.

3. Balance Sheet Components

Inventory

As of December 31, 2011 and 2010, our inventory consisted of the following (in thousands):

•	December 7 2011	December 31, 2011					
Raw materials	\$ 12,	095	\$	15,936			
Work in process	3,	665		4,538			
Finished goods	26,	120		20,125			
Service parts	8,	202		4,583			
Total	\$ 50,	082	\$	45,182			

We write down inventory as a result of excess and obsolete inventories, or when we believe that the net realizable value of inventories is less than the carrying value. During the years ended December 31, 2011, 2010 and 2009, we recorded write-downs of \$1.8 million, \$1.0 million and \$1.4 million, respectively, in cost of automotive sales.

Property, Plant and Equipment

As of December 31, 2011 and 2010, our property, plant and equipment, net, consisted of the following (in thousands):

		mber 31, 2011	mber 31, 2010
Computer equipment and software	-\$	10,804	\$ 8,864
Office furniture, machinery and equipment		21,495	12,551
Tooling		16,584	15,913
Leasehold haprovements		27,901	13,993
Land		26,391	26,391
Construction in progress		227,461	· 58,917
		330,636	 136,629
Less: Accumulated depreciation and amortization		(32,222)	(21,993)
Total	\$	298,414	\$ 114,636

Construction in progress is comprised primarily of assets related to the manufacturing of our Model S, including building improvements at our Tesla Factory in Fremont, California as well as tooling and manufacturing equipment and capitalized interest expense. We will start depreciating these assets upon commencement of our Model S production. Interest expense on outstanding debt is capitalized during the period of significant capital asset construction. Capitalized interest on construction in progress is included in property, plant and equipment, and is amortized over the life of the related assets. During the years ended December 31, 2011 and 2010, we capitalized \$5.1 million and \$0.8 million of interest expense, respectively.

Depreciation and amortization expense during the years ended December 31, 2011, 2010 and 2009 was \$14.6 million, \$10.0 million and \$6.9 million, respectively. Total property and equipment assets under capital lease as of December 31, 2011 and 2010 were \$2.4 million and \$0.4 million, respectively. Accumulated depreciation related to assets under capital lease as of these dates were \$0.3 million and \$0.2 million, respectively.

Other Assets

As of December 31, 2011 and 2010, our other assets consisted of the following (in thousands):

	December 31, 2011	December 31, 2010
Emission credits	\$ 14,508	\$ 14,508
Loan facility issuance costs, net	6,407	7,053
Other	1,456	1,169
Total	\$ 22,371	\$ 22,730

Accrued Liabilities

As of December 31, 2011 and 2010, our accrued liabilities consisted of the following (in thousands):

	December 31, 2011		December 31, 2010		
Accrued purchases	\$ 19,645	-\$	9,731		
Payroll and related costs	8,905		6,516		
Accrued warranty	2,044		1,725		
Taxes payable	967		2,686		
Other	548		287		
Total	\$ 32,109	-\$	20,945		

Other Long-Term Liabilities

As of December 31, 2011 and 2010, our other long-term liabilities consisted of the following (in thousands):

		nber 31, 011		mber 31, 1010
Environmental liabilities	\$	5,300	\$	5,300
Accrued warranty, long-term		4,271		3,692
Deferred rent liability		3,839		2,919
Other		1,505		363
Total	\$	14,915	_\$	12,274

4. Fair Value of Financial Instruments

The carrying values of our financial instruments including cash equivalents, marketable securities, accounts receivable and accounts payable approximate their fair value due to their short-term nature. As a basis for determining the fair value of certain of our assets and liabilities, we established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows: (Level I) observable inputs such as quoted prices in active markets; (Level II) inputs other than the quoted prices in active markets that are observable either directly or indirectly; and (Level III) unobservable inputs in which there is little or no market data which requires us to develop our own assumptions. This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. Our financial assets that are measured at fair value on a recurring basis consist of cash equivalents and marketable securities. Our liabilities that are measured at fair value on a recurring basis consist of our common stock warrant liability.

All of our cash equivalents and current restricted cash, which are comprised primarily of money market funds, are classified within Level I of the fair value hierarchy because they are valued using quoted market prices or market prices for similar securities. Our short-term marketable securities are classified within Level II of the fair value hierarchy and the market approach was used to determine fair

value of these investments. Our common stock warrant liability (see Note 9) is classified within Level III of the fair value hierarchy.

As of December 31, 2011 and 2010, the fair value hierarchy for our financial assets and financial liabilities that are carried at fair value was as follows (in thousands):

		E	ecember 31	, 201	1						December	31,20	010		
_ Fe	ir Value		Level I	I,	evel II	L	vel III	F	air Value		Lovel I	Le	vel II	L ₁	evel III
\$	196,701	\$	196,701	\$		\$		\$	145,708	\$	145,708	s	_	\$	-
	10,062		· -		10,062		-		· -		´ •		-		-
	[4,999				14.999				-				_		-
\$	221,762	S	196,701	\$	25,061	\$		\$	145,708	\$	145,708	\$		\$	
\$	8,838	\$	_	\$	_	\$	8,838	\$	6,088	\$	_	\$		\$	6,088
	109		-		109		•		125		-		125		•
\$	8,947	\$	-	\$	109	\$	8,838	\$	6,213	\$	-	\$	125	\$	6,088
	\$	10,062 (4,999 \$ 221,762 \$ 8,838 109	\$ 196,701 \$ 10,062 14,999 \$ 221,762 \$ \$ 8,838 \$ 109	Fair Value Level I	Fair Value Level I L	\$ 196,701 \$ 196,701 \$ - 10,062 - 10,062 14,999 - 14,999 \$ 221,762 \$ 196,701 \$ 25,061 \$ 8,838 \$ - \$ - 109 - 109	Fair Value Level I Level II Level II Level II Level II Level III Lev	Fair Value Level I Level II Level III \$ 196,701 \$ 196,701 \$ - \$ - 10,062 - 10,062 - 14,999 - 14,999 - 221,762 \$ 196,701 \$ 25,061 \$ - \$ 8,838 \$ - \$ - \$ 8,838 109 - 109 -	Fair Value Level II Level III Fair Value Level III Fair Value Fair Va	Fair Value Level I Level II Level III Fair Value \$ 196,701 \$ 196,701 \$ - \$. \$ 145,708 10,062 - 10,062 - - 4,999 - 14,999 - - - 221,762 \$ 196,701 \$ 25,061 \$ - \$ 145,708 \$ 8,838 \$ - \$ - \$ 8,838 \$ 6,088 109 - 109 - 125	Fair Value Level I Level II Level III Fair Value \$ 196,701 \$ 196,701 \$ - \$. \$ 145,708 \$ 10,062	Fair Value Level I Level III Fair Value Level I \$ 196,701 \$ 196,701 \$ - \$ 145,708 \$ 145,708 \$ 10,062 - 10,062 - - \$ 221,762 \$ 196,701 \$ 25,061 \$ - \$ 145,708 \$ 145,708 \$ 8,838 \$ - \$ - \$ 8,838 \$ 6,088 \$ - \$ 109 - 125 - - 125 -	Fair Value Level I Level II Fair Value Level I Level II Level III Fair Value Level I Level II Level III Fair Value Level I Level II Level III Fair Value Level II Level III Fair Value Level II Level III Fair Value Level III Level III Level III Fair Value Level III Level III Fair Value Fair Value Fair Value Fair Value Fair Value Fair Value<	Fair Value Level I Level II Fair Value Level II Level II \$ 196,701 \$ 196,701 \$ - \$ - \$ 145,708 \$ 145,708 \$ - 10,062 - 10,062 - - - - 4,999 - 14,999 - - - - 221,762 \$ 196,701 \$ 25,061 \$ - \$ 145,708 \$ 145,708 \$ - \$ 8,838 \$ - \$ - \$ 8,838 \$ 6,088 \$ - \$ - 109 - 109 - 125 - 125	Fair Value Level II Level III Fair Value Level II Level III Level III <t< td=""></t<>

Our available-for-sale marketable securities classified by security type as of December 31, 2011 consisted of the following (in thousands):

		December 31, 2011							
		Gross Unrealized Gross Unrealized							
	_ Aภเอา	fized Cost	Gains	_	Lo	SSCS	Fa	îr Value_	
Corporate note	\$	10,065	\$	-	\$	(3)	\$	10,062	
Commercial paper		14,999					\$	14,999	
Total	\$	25,064	\$		\$	(3)	\$	25,061	

Our marketable securities with gross unrealized losses have been in a continuous unrealized loss position for less than twelve months. We have determined that the gross unrealized losses on our marketable securities as of December 31, 2011 were temporary in nature.

The changes in the fair value of our common stock and convertible preferred stock warrant liability were as follows (in thousands):

		Year Ended 1	December	31,
	2	.011		2010
Fair value, beginning of period	\$	6,088	-\$	1,734
Т азылноез		_		6,294
Settlements and extinguishments		-		(6,962)
Change in fair value		2,750		5,022
Fair value, end of period	\$	8,838	\$	6,088

The estimated fair value of our long-term debt based on a market approach was approximately \$220.3 million (par value of \$276.3 million) and \$53.4 million (par value of \$71.8 million) as of December 31, 2011 and 2010, respectively. When determining the estimated fair value of our long-term debt, we used a commonly accepted valuation methodology and market-based risk measurements, such as credit risk.

We operate in various foreign countries, which exposes us to foreign currency exchange risk between the U.S. dollar and various foreign currencies, the most significant of which have been the British pound and Japanese yen. In order to manage this risk, we enter into foreign currency forward contracts. These contracts are not designated as hedges, and as a result, changes in their fair value are recorded in interest and other income, net, on our consolidated statements of operations. During the years ended December 31, 2011, 2010 and 2009, net gains and losses related to these instruments were not significant. We had notional amounts on foreign currency exchange contracts outstanding of \$8.8 million and \$7.2 million as of December 31, 2011 and 2010, respectively.

5. Purchase of Tesla Factory and Assets

Tesla Factory

In May 2010, we entered into an agreement to purchase an existing automobile production facility located in Fremont, California from NUMMI, which is a joint venture between Toyota, and Motors Liquidation Company, the owner of selected assets of General Motors. In October 2010, we completed the purchase and received title to the facility and land. The total cash paid was \$42.0 million. The purchase totals 210 acres, or approximately 55% of the land at the site, and includes all of the manufacturing facilities located thereon. In October 2010, we and NUMMI amended the facility purchase agreement to include the transfer to us of certain operating permits, or emission credits, for additional consideration of \$6.5 million. We completed the transfer of these permits in October 2010. We intend to use the facility and manufacturing assets for the production of our Model S vehicle and to build our future vehicles.

NUMMI has previously identified environmental conditions at the Fremont site which affect soil and groundwater, and is currently undertaking efforts to address these conditions. Although we have been advised by NUMMI that it has documented and managed the environmental issues, we cannot determine with certainty the total potential costs to remediate pre-existing contamination. Based on management's best estimate, we estimated the fair value of the environmental liabilities that we assumed to be \$5.3 million. The fair value of these liabilities was determined based on an expected value analysis of the related potential costs to investigate, remediate and manage various environmental conditions that were identified as part of NUMMI's facility decommissioning activities as well as our own diligence efforts. As NUMMI continues with its decommissioning activities and we continue with our construction and operating activities, it is reasonably possible that our estimate of environmental liabilities may change materially. We have reached an agreement with NUMMI in terms of how we and NUMMI will take responsibility for any costs related to governmentally-required remediation activities for contamination that existed prior to the completion of the facility and land purchase for any known or unknown environmental conditions (see Note 15).

The purchase consideration for the Tesla Factory located in Fremont, California consisted of cash paid of \$48.5 million and liabilities assumed of \$5.3 million for an aggregate purchase price of \$53.8 million. The aggregate purchase price of \$53.8 million was allocated to land, building, site improvements and emission credits based on their relative fair values as the total estimated fair values of these assets were greater than the total purchase price. The following table summarizes the allocation of the purchase price to the tangible and intangible assets purchased as of the date of purchase (in thousands):

Building and site improvements	\$ 13,556
Land	25,736
	 14,508
	53,800

Building and site improvements are classified within construction in progress and together with land, are recorded in property, plant and equipment, net, on the consolidated balance sheet. The estimated fair value of land was determined using the market approach. Although the market approach compares the subject asset purchase to similar transactions which would otherwise classify these inputs within Level II of the fair value hierarchy, adjustments we made to comparable sales both qualitatively and quantitatively caused us to classify these inputs within Level III of the fair value hierarchy. The fair value of the building and site improvements were estimated using the cost approach and therefore, the inputs are classified within Level III of the fair value hierarchy. Incremental due diligence costs of \$0.7 million related to the purchase of the land have been capitalized to land.

Emission credits are classified as intangible assets and are recorded in other noncurrent assets on the consolidated balance sheet. The estimated fair value of emission credits was determined using market data related to traded emission credits and as such, these inputs are classified within Level I of the fair value hierarchy. The utility of the emission credits are related to the operation of the Tesla Factory and therefore, will be amortized over the same useful life. As the Tesla Factory is not yet ready for its intended use, we have not yet commenced the depreciation of the Tesla Factory or the amortization of the emission credits. We currently estimate that building and building improvements, as well as the emission credits, will have an estimated useful life of 30 years.

Manufacturing Assets

In August 2010, we entered into a separate purchase agreement with NUMMI for the purchase of certain manufacturing equipment and spare parts located at the Fremont facility. This purchase agreement was subsequently amended to include additional manufacturing equipment and spare parts. In October 2010, we completed this purchase concurrent with the completion of the facility purchase. The aggregate purchase price for these assets was \$16.7 million reflecting the estimated fair value of these assets. As these manufacturing assets and spare parts are not yet ready for their intended use, they are classified within construction in progress and recorded in property, plant and equipment, net, on the consolidated balance sheet. We have not yet commenced the depreciation of these assets. We currently estimate that manufacturing and related assets will have an estimated useful life of up to 15 years.

6. Reservation Payments

Reservation payments consist of payments that allow potential customers to hold a reservation for the future purchase of a Tesla Roadster or Model S. These amounts are recorded as current liabilities until the vehicle is delivered. For our Tesla Roadsters manufactured to specification, our current purchase agreement requires the payment of an initial nonrefundable deposit which varies based on the country of purchase. For Model S, we require an initial refundable reservation payment of at least \$5,000. For Tesla Roadsters purchased directly from our showrooms, no deposit is required. Prior to the three months ended June 30, 2010, our reservation policy was to accept refundable reservation payments from all customers who wished to purchase a Tesla Roadster and require full payment of the purchase price of the vehicle at the time the customer selected their vehicle specifications. During the three months ended June 30, 2010, we changed our policy to require nonrefundable deposits for Tesla Roadsters manufactured to specification at the time a customer enters into a purchase agreement. However, we also occasionally accept refundable reservation payments for the Tesla Roadster if a customer is interested in purchasing a vehicle but not yet prepared to select the vehicle specifications. For customers who have placed a refundable reservation payment with us, the reservation payment becomes a nonrefundable deposit once the customer has selected the vehicle specifications and enters into a purchase agreement. We require full payment of the purchase price of the vehicle only upon delivery of the vehicle to the customer. Amounts received by us as reservation payments are generally not restricted as to their use by us. Upon delivery of the vehicle, the related reservation payments are applied against the customer's total purchase price for the vehicle and recognized in automotive sales as part of the respective vehicle sale.

As of December 31, 2011, we held reservation payments for undelivered Model S sedans in an aggregate amount of \$90.0 million and payments for Tesla Roadsters in an aggregate amount of \$1.8 million. As of December 31, 2010, we held reservation payments for undelivered Model S sedans in an aggregate amount of \$28.3 million and payments for Tesla Roadsters in an aggregate amount of \$2.5 million. In order to convert the reservation payments into revenue, we will need to sell vehicles to these customers. All reservation payments for Model S are fully refundable until such time that a customer enters into a purchase agreement.

7. Convertible Preferred Stock

On June 28, 2010, our registration statement on Form S-1 for our IPO was declared effective by the SEC and on July 2, 2010, we closed our IPO. As a result of the IPO, our convertible preferred stock was automatically converted into common stock.

The following table summarizes information related to our convertible preferred stock prior to their conversion into common stock:

	Po	r Value_	 e Price af suance	Audhorized	Issued and Optstanding		quidation reference	Pre	sceeds, Net	
				(In thousands except sh	are and per share am	itints)				
Series A	. \$	0.001	\$ 0.49	7,213,000	7,213,000	\$	3,556	\$	3,549	*
Series B		0.001	0.74	17,459,456	17,459,456		12,920		12,899	
Series C		0.001	1.14	35,893,172	35,242,290		40,000		39,789	
Series D		0,001	2,44	18,440,449	18,440,449		45,000		44,941	
Series E		0.001	2,51	112,897,905	102,776,779		258,175		135,669	
Series F		0.001	2,97	30,000,000	27,785,263		82,500		82,378	
Total				221,903,982	208,9[7,237	<u> </u>	442,151	F	319,225	

Net of \$3.9 million conversion of Series A convertible preferred stock to common stock.

Each of our Series A, B, D, E and F convertible preferred stock converted on a 1:0.33 basis into common stock while the Series C convertible preferred stock converted on a 1:0.35 basis.

Dividends

No dividends on the convertible preferred stock have been declared by the Board of Directors from inception through their conversion into common stock.

8. Convertible Preferred Stock Warrants

In March 2006, we issued warrants to purchase 650,882 shares of Series C convertible preferred stock in conjunction with the conversion of previously issued convertible notes payable into Series C convertible preferred stock. The warrants had an exercise price of \$1.14 per share and expired on the earlier of March 30, 2011 or an IPO. As a result of our IPO which closed on July 2, 2010, these warrants were net exercised for 184,359 shares of common stock. The fair value of these warrants as of July 2, 2010 in the amount of \$3.6 million was recorded in equity on the consolidated balance sheet. Through the net exercise of the Series C convertible preferred stock warrants in July 2010, we recognized a charge from the change in the fair value of these warrants during 2010 in the amount of \$2.6 million through other expense, net, on the consolidated statement of operations.

During the year ended December 31, 2009, we recognized charges from the change in the fair value of these warrants in the amount of \$0.7 million through other expense, net, on the consolidated statements of operations.

In February 2008, we issued warrants with our February 2008 convertible notes payable. The warrants allowed for the purchase of shares of either Series D convertible preferred stock at a price of \$2.44 per share, which amounted to warrants to purchase 8,246,914 shares of Series D convertible preferred stock, or the securities issuable in a subsequent round of financing at the per share price of such securities.

On December 24, 2008, warrants to purchase 3,439,305 of the shares of Series D convertible preferred stock were extinguished as a result of the election of certain holders of the February 2008 convertible notes to exchange their notes and warrants for December 2008 convertible notes. On the date

of the exchange, we recognized a gain in the amount of \$1.3 million through other expense, net, in connection with the extinguishment of these warrants.

During the year ended December 31, 2009, warrants to purchase an additional 3,967,152 shares of Series D convertible preferred stock were extinguished as a result of the election of certain remaining holders of the February 2008 convertible notes as part of an exchange of their notes and warrants for December 2008 convertible notes. On the date of the exchange, we recognized a gain in the amount of \$1.5 million through other expense, net, in connection with the extinguishment of these warrants.

In May 2009, we completed our Series E financing in which \$50.0 million of proceeds was received for the purchase of 19,901,290 shares of Series E convertible preferred stock at a price of \$2.51 per share. In connection with this financing, the remaining holders of the February 2008 notes and warrants converted their notes into shares of Series E convertible preferred stock and converted their warrants into warrants to purchase 866,091 shares of Series E convertible preferred stock.

As a result of our IPO which closed on July 2, 2010, these warrants which exclude the DOE warrant (see Note 9), were net exercised for 160,688 shares of common stock. The fair value of these warrants as of July 2, 2010 in the amount of \$3.4 million was recorded in equity on the consolidated balance sheet. Through the net exercise of the Series E convertible preferred stock warrants in July 2010, we recognized a charge from the change in the fair value of these warrants during 2010 in the amount of \$2.7 million through other expense, net, on the consolidated statement of operations.

During the year ended December 31, 2009, we recognized charges from the change in the fair value of these Series E warrants in the amounts of \$0.4 million through other expense, net, on the consolidated statement of operations.

9. Department of Energy Loan Facility

On January 20, 2010, we entered into a loan facility with the Federal Financing Bank (FFB), and the DOE, pursuant to the ATVM Incentive Program. This loan facility was amended in June 2011 to expand our cash investment options and in February 2012 to modify the timing of certain future financial covenants and funding of the debt service reserve account, as detailed below. We refer to the loan facility with the DOE, as amended, as the DOE Loan Facility. Under the DOE Loan Facility, the FFB has made available to us two multi-draw term loan facilities in an aggregate principal amount of up to \$465.0 million. Up to an aggregate principal amount of \$101.2 million will be made available under the first term loan facility to finance up to 80% of the costs eligible for funding for the powertrain engineering and the build out of a facility to design and manufacture lithium-ion battery packs, electric motors and electric components (the Powertrain Facility). Up to an aggregate principal amount of \$363.9 million will be made available under the second term loan facility to finance up to 80% of the costs eligible for funding for the development of, and to build out the manufacturing facility for, our Model S sedan (the Model S Facility). Under the DOE Loan Facility, we are responsible for the remaining 20% of the costs eligible for funding under the ATVM Program for the projects as well as any cost overruns for each project. The costs paid by us prior to the execution of the DOE Loan Facility and related to the Powertrain Facility and the Model S Facility will be applied towards our obligation to contribute 20% of the eligible project costs, and the DOE's funding of future eligible costs will be adjusted to take this into account. Our obligations for the development of, and the build-out of our manufacturing facility for, Model S is budgeted to be an aggregate of \$33 million or approximately 8.5% of the ongoing budgeted cost, plus any cost overruns for the projects. We have paid for the full 20% of the budgeted costs related to our Powertrain Facility and therefore expect to receive 100% reimbursement from the DOE Loan Facility for ongoing budgeted costs, but will continue to be responsible for cost overruns. On the closing date, we paid a facility fee to the DOE in the amount of \$0.5 million.

Our DOE Loan Facility draw-downs were as follows (in thousands):

	Loan Fa	cility Available	
	for Futu	c Draw-downs	Interest rates
Beginning Balance, January 20, 2010	\$	465,048	
Draw-downs received during the three months ended March 31, 2010		(29,920)	2.9% - 3.4%
Draw-downs received during the three mouths ended June 30, 2010		(15,499)	2,5% - 3.4%
Draw-downs received during the three months ended September 30, 2010		(11,138)	1.7% - 2.6%
Draw-downs received during the three months ended December 31, 2010		(15,271)	1.7% - 2.8%
Remaining Balance, December 31, 2010		393,220	
Draw-downs received during the three months ended March 31, 2011		(30,656)	2.1% - 3.0%
Draw-downs received during the three months ended June 30, 2011		(31,693)	1.8% - 2.7%
Draw-downs received during the three months ended September 30, 2011		(90,822)	1.0% - 1.4%
Draw-downs received during the three months ended December 31, 2011		(51,252)	1.0% - 1.5%
Remaining Balance, December 31, 2011	\$	188,797	

Our ability to draw down funds under the DOE Loan Facility is conditioned upon several draw conditions. We are currently in compliance with these draw conditions. For the Powertrain Facility, the draw conditions include our achievement of progress milestones relating to the development of the powertrain manufacturing facility and the successful development of commercial arrangements with third parties for the supply of powertrain components. For the Model S Facility, the draw conditions include our achievement of progress milestones relating to the design and development of Model S and the Tesla Factory. Certain advances will be subject to additional conditions to draw-down related to the site on which the applicable project is located. Additionally, the DOE Loan Facility provides for the ability to update milestones should a reasonable need arise.

Advances under the DOE Loan Facility accrue interest at a per annum rate determined by the Secretary of the Treasury as of the date of the advance and will be based on the Treasury yield curve and the scheduled principal installments for such advance. Interest on advances under the DOE Loan Facility is payable quarterly in arrears. Advances under the Powertrain Facility are repayable in 28 equal quarterly installments commencing on December 15, 2012 (or for advances made after such date, in 26 equal quarterly installments commencing on June 15, 2013). All outstanding amounts under the Powertrain Facility will be due and payable on the maturity date of September 15, 2019. Advances under the Model S Facility are repayable in 40 equal quarterly installments commencing on December 15, 2012 (or for advances made after such date, in 38 equal quarterly installments commencing on June 15, 2013). All outstanding amounts under the Model S Facility will be due and payable on the maturity date of September 15, 2022. Advances under the loan facilities may be voluntarily prepaid at any time at a price determined based on interest rates at the time of prepayment for loans made from the Secretary of the Treasury to FFB for obligations with an identical payment schedule to the advance being prepaid, which could result in the advance being prepaid at a discount, at par or at a premium. The loan facilities are subject to mandatory prepayment with net cash proceeds received from certain dispositions, loss events with respect to property and other extraordinary receipts, All obligations under the DOE Loan Facility are secured by substantially all of our property.

Under the DOE Loan Facility, we have committed to pay all costs and expenses incurred to complete the projects being financed in excess of amounts funded under the loan facility. We will be required to maintain, at all times, available cash and cash equivalents of at least 105% of the amounts required to fund this excess over our financing commitment, after taking into account current cash flows and cash on hand, and reasonable projections of future generation of net cash from operations, losses and expenditures. Loans may be requested under the facilities until January 22, 2013, and we have committed to complete the projects being financed prior to such date.

The DOE Loan Facility documents contain customary covenants that include, among others, a requirement that the projects be conducted in accordance with the business plan for such project,

compliance with all requirements of the ATVM Program, and limitations on our and our subsidiaries' ability to incur indebtedness, incur liens, make investments or loans, enter into mergers or acquisitions, dispose of assets, pay dividends or make distributions on capital stock, pay indebtedness, pay management, advisory or similar fees to affiliates, enter into certain affiliate transactions, enter into new lines of business, and enter into certain restrictive agreements, in each case subject to customary exceptions. The DOE Loan Facility documents also contain customary financial covenants requiring us to maintain a minimum ratio of current assets to current liabilities, and (i) through November 30, 2012, a minimum cash balance, (ii) after September 30, 2012, a limit on capital expenditures, (iii) after June 30, 2013, a maximum leverage ratio, a minimum interest coverage ratio, a minimum fixed charge coverage ratio, and (iv) after March 31, 2014, a maximum ratio of total liabilities to shareholder equity. We are in compliance with our current applicable financial covenants. The DOE Loan Facility documents also contain customary events of default, subject in some cases to customary cure periods for certain defaults. In addition, events of default include a failure of Elon Musk, our Chief Executive Officer, Product Architect and Chairman, and certain of his affiliates, at any time prior to one year after we complete the project relating to the Model S Facility, to own at least 65% of capital stock held by Mr. Musk and such affiliates as of the date of the DOE Loan Facility.

Under the DOE Loan Facility, we have agreed to fund a debt service reserve account. On or before February 29, 2012, we have agreed to fund an amount equal to all principal and interest that will come due on December 15, 2012, and on or before October 15, 2012, we have agreed to fund an amount equal to all principal and interest that will come due on March 15, 2013 and June 15, 2013. Once we have deposited such amounts, we will not be required to further fund such debt service reserve account.

We have also agreed that, in connection with the sale of our common stock in an IPO, at least 75% of the net offering proceeds will be received by us and, in connection with the sale of our stock in any other follow-on equity offering, at least 50% of the net offering proceeds will be received by us. Offering proceeds may not be used to pay bonuses or other compensation to officers, directors, employees or consultants in excess of the amounts contemplated by our business plan approved by the DOE.

Upon completion of our IPO in 2010, we set aside \$100 million to fund a separate dedicated account under our DOE Loan Facility. This dedicated account is used by us to fund any cost overruns for our powertrain and Tesla Factory projects and is used as a mechanism to defer advances under the DOE Loan Facility. This will not affect our ability to draw down the full amount of the DOE loans, but will require us to use the dedicated account to fund certain project costs up front, which costs may then be reimbursed by loans under the DOE Loan Facility once the dedicated account is depleted, or as part of the final advance for the applicable project. We will be required to deposit a portion of these reimbursements into the dedicated account, in an amount equal to up to 30% of the remaining project costs for the applicable project, and these amounts may similarly be used by us to fund project costs and cost overruns and will similarly be eligible for reimbursement by the draw-down of additional loans under the DOE Loan Facility once used in full, or as part of the final advance for the applicable project. Depending on the timing and magnitude of our draw-downs and the funding requirements of the dedicated account, the balance of the dedicated account will fluctuate throughout the period in which we plan to make drawdowns under the DOE Loan Facility. Upon completion of our final advance under the DOE Loan Facility, the balance in the dedicated account will be fully transferred out of the dedicated account. As of December 31, 2011 and 2010, \$23.5 million and \$73.6 million were held in the dedicated account, respectively. As we expect to transfer the remainder of this balance within one year, we have classified such cash as current restricted cash on the consolidated balance sheet.

DOE Warrant

In connection with the closing of the DOE Loan Facility, we have also issued a warrant to the DOE to purchase up to 9,255,035 shares of our Series E convertible preferred stock at an exercise price of

\$2.51 per share. Upon the completion of our IPO on July 2, 2010, this preferred stock warrant became a warrant to purchase up to 3,090,111 shares of common stock at an exercise price of \$7.54 per share. Beginning on December 15, 2018 and until December 14, 2022, the shares subject to purchase under the warrant will vest and become exercisable in quarterly amounts depending on the average outstanding balance of the loan during the prior quarter. The warrant may be exercised until December 15, 2023. If we prepay the DOE Loan Facility in part or in full, the total amount of shares exercisable under the warrant will be reduced.

Since the number of shares ultimately issuable under the warrants will vary depending on the average outstanding balance of the loan during the contractual vesting period, and decisions to prepay would be influenced by our future stock price as well as the interest rates on our loans in relation to market interest rates, we measured the fair value of the warrant using a Monte Carlo simulation approach. The Monte Carlo approach simulates and captures the optimal decisions to be made between prepaying the DOE loan and the cancellation of the DOE warrant. For the purposes of the simulation, the optimal decision represents the scenario with the lowest economic cost to us. The total warrant value would then be calculated as the average warrant payoff across all simulated paths discounted to our valuation date.

The prepayment feature which allows us to prepay the DOE Loan Facility and consequently, affect the number of shares ultimately issuable under the DOE warrant, was determined to represent an embedded derivative. This embedded derivative is inherently valued and accounted for as part of the warrant liability on our consolidated balance sheets. Changes to the fair value of the embedded derivative are reflected as part of the warrant liability re-measurement to fair value at each balance sheet reporting date.

The warrant is recorded at its estimated fair value with changes in its fair value reflected in other expense, net, until its expiration or vesting. The fair value of the warrant at issuance was \$6.3 million, and along with the DOE Loan Facility fee of \$0.5 million and other debt issuance costs of \$0.9 million, represents a cost of closing the loan facility and is being amortized to interest expense over the expected term of the DOE Loan Facility of approximately 13 years. During the years ended December 31, 2011 and 2010, we amortized \$0.6 million and \$0.6 million to interest expense, respectively.

Prior to the completion of our IPO, the fair value of the DOE warrant was included within the convertible preferred stock warrant liability on the consolidated balance sheet. Upon the completion of our IPO on July 2, 2010, this warrant was reclassified on our consolidated balance sheet from convertible preferred stock warrant liability to common stock warrant liability. The DOE warrant will continue to be recorded at its estimated fair value with changes in the fair value reflected in other expense, net, as the number of common stock ultimately issuable under the warrant is variable until its expiration or vesting. As of December 31, 2011 and 2010, the fair value of the DOE warrant was \$8.8 million and \$6.1 million, respectively. During the year ended December 31, 2011, we recognized expense for the change in the fair value of the DOE warrant in the amount of \$2.8 million through other expense, net, on the consolidated statement of operations. During the year ended December 31, 2010, we recognized income from the change in the fair value of the DOE warrant in the amount of \$0.2 million through other expense, net, on the consolidated statement of operations.

10. Common Stock

As of December 31, 2009, we were authorized to issue 313,006,077 shares of capital stock with a par value of \$0.001 per share. The authorized shares consisted of 100,000,000 shares of common stock and 213,006,077 shares of convertible preferred stock. In January 2010, we increased the number of authorized shares of our common stock from 100,000,000 to 106,666,667 shares and the number of authorized shares of our authorized preferred stock from 213,006,077 to 221,903,982 shares.

In May 2010, we effected a 1-for-3 reverse stock split of our outstanding common stock, and a proportional adjustment to the existing conversion ratios for each series of preferred stock was made at the time of the effectiveness of the reverse stock split. Accordingly, all share and per share amounts for all periods presented in these consolidated financial statements and notes thereto, have been adjusted retroactively, where applicable, to reflect this reverse stock split and adjustment of the preferred stock conversion ratio.

In June 2010, our registration statement on Form S-1 for our IPO was declared effective by the SEC. As a result, the number of authorized shares of our common stock increased from 106,666,667 to 2,000,000,000 shares.

In July 2010, we completed the IPO of common stock in which we sold a total of 11,880,600 shares of our common stock and received cash proceeds of \$188.8 million from this transaction, net of underwriting discounts and commissions. Concurrent with the closing of our IPO, we also sold 2,941,176 shares of our common stock to Toyota in a private placement and received cash proceeds of \$50.0 million. As a result of the IPO, our convertible preferred stock was automatically converted into common stock and our outstanding warrants, excluding the DOE warrant, were net exercised.

In November 2010, we entered into a common stock purchase agreement with an entity affiliated with Panasonic Corporation (Panasonic) pursuant to which we issued and sold an aggregate of 1,418,573 shares of our common stock at a price of \$21.15 per share, which was the average of the trading highs and lows of our common stock from October 25 to October 29, 2010. Upon completion of the private placement transaction on November 2, we received aggregate proceeds of \$30.0 million. Concurrently with the sale and issuance of the shares to Panasonic, we amended our investors' rights agreement as of November 2, 2010 to grant Panasonic registration rights on a pari passu basis with certain other holders of registration rights with respect to the shares of common stock purchased in the private placement.

In June 2011, we completed a follow-on offering of common stock in which we sold a total of 6,095,000 shares of our common stock and received cash proceeds of \$172.7 million from this transaction, net of underwriting discounts. Concurrent with this offering, we also sold 1,416,000 shares of our common stock to Blon Musk, our Chief Executive Officer and cofounder, and 637,475 shares of our common stock to Blackstar Investco LLC, an affiliate of Daimler and received total cash proceeds of \$59.1 million in the private placements. No underwriting discounts or commissions were paid in connection with these private placements.

Stockholder Settlement

During the three months ended March 31, 2010, three of our stockholders who are affiliated with one of our Board members asserted a claim regarding the conversion of such stockholders' convertible promissory notes into shares of our Series E convertible preferred stock at the time of our Series E preferred stock financing in May 2009. In May 2010, we entered into a settlement agreement with these stockholders and pursuant to the terms of the settlement agreement, we issued warrants to such stockholders which, upon the closing of our IPO in July 2010, were automatically net exercised for an aggregate of 100,000 shares of our common stock. During the three months ended June 30, 2010, the fair value of these warrants in the amount of \$1.7 million was recorded in equity on the consolidated balance sheet based on a Black-Scholes valuation. In conjunction with the settlement of our liability to issue such warrants, we recognized a charge of \$1.1 million during the year ended December 31, 2010, through other expense, net, on the consolidated statement of operations.

11. Equity Incentive Plans

In July 2003, we adopted the 2003 Equity Incentive Plan. Concurrent with the effectiveness of our registration statement on Form S-1 on June 28, 2010 (see Note 10), we adopted the 2010 Equity Incentive

Plan (the Plan) and all remaining common shares reserved for future grant or issuance under the 2003 Equity Incentive Plan were added to the 2010 Equity Incentive Plan. The Plan provides for the granting of stock options and stock purchase rights to employees, directors and consultants of Tesla. Options granted under the Plan may be either incentive options or nonqualified stock options. Incentive stock options may be granted only to our employees including officers and directors. Nonqualified stock options and stock purchase rights may be granted to our employees and consultants. Generally, our stock options vest over four years and are exercisable over a period not to exceed the contractual term of ten years from the date the stock options are granted. Continued vesting typically terminates when the employment or consulting relationship ends. As of December 31, 2011, there were 9,919,107 shares of common stock reserved for issuance under the Plan.

The following table summarizes option activity under the Plan:

	Outstanding Options							
	Shares Avallable for Grant	Number of Options	Weighted Average Exercise Price					
Balance, December 31, 2008	1,550,059	2,862,424	\$ 1.88					
Additional options reserved	8,366,666	· · · · ·	-					
Repurchased restricted stock	4,836	-	0.90					
Granted	(10,275,974)	10,275,974	5.98					
Exercised		(195,264)	1.19					
Cancelled	1,369,100	(1,369,100)	2,70					
Balance, December 31,2009	1,014,687	11,574,034	5.44					
Additional options reserved	11,269,286	-	-					
Repurchased restricted stock	9,170		0,90					
Granted	(3,328,705)	3,328,705	17,96					
Exercised	•	(721,080)	1.84					
Cancelled	443,537	(443,537)	6.61					
Balance, December 31, 2010	9,407,975	13,738,122	8.62					
Additional options reserved	3,796,342	_						
Granted	(4,011,973)	4,011,973	27.49					
Bxereised	•	(1,216,669)	5,41					
Cancelled	726,763	(726,763)	15.26					
Balance, December 31, 2011	9,919,107	15,806,663	13,35					

In addition to stock options issued from the Plan, there were 33,333 stock options as of December 31, 2011 and 66,666 stock options as of December 31, 2010 and 2009, respectively, that we had previously granted to non-employees outside of the Plan. These outstanding non-employee options had a weighted average exercise price of \$1.80 as of each year end.

Additional information regarding all stock options outstanding and exercisable as of December 31, 2011 is summarized below:

	Options Outstanding			Options Exercisable				
Range of Exercise Price	Number	A. Ez	elghted verago vercise Price	Weighted Average Remaining Contractual Life (in years)	Number	A E	eighted verage sercise Price	Weighted Averago Remaining Contractual Life (in years)
\$0,15 - \$6,15	1,617,294	\$	3.06		1,099,285	\$	2.83	
\$6.63 - \$6.63	7,695,280		6.63		4,694,483		6.63	
\$9.96 - \$20,72	2,039,559		15.70		826,053		15.17	
\$22.88 - \$27.88	1,788,889		24.48		126,574		25.00	
\$27.91 - \$28.35	479,412		28.14		8,152		28,05	
\$28,43 - \$28,43	428,212		28.13		5,312		28.43	
\$28.45 - \$2845	971,262		28.45		215,150		28.45	
\$30,41 - \$30,41	179,838		30,41		2,450		30.41	
\$30.55 - \$30.5\$	258,500		30,55		71,956		30.55	
\$33.22 - \$33.22	381,750		33,22		3,939		33.22	
	15,839,996		13,33	6.20	7,053,354		8.34	5.15

Additional information regarding all stock options outstanding and exercisable as of December 31, 2010 is summarized below:

	Options Outstanding			Options Exercisable			
Range of Exercise Price	Number	Weighted Avernge Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	
\$0,15 - \$2.10	517,493	\$ 1,31		463,216	\$ 1.23		
\$2,70 - \$2,70	1,568,473	2,70		772,729	2.70		
\$2.94 - \$6.15	549,642	4.99		180,599	4.80		
\$6,63 - \$6,63	7,943,740	6,63		2,050,354	6.63		
\$9.96 - \$13.23	627,112	11.24		18,245	11,10		
\$14.17 - \$14.17	1,090,915	14.17		14,987	14.17		
\$20,24 - \$20,24	216,614	20.24		3,084	20.24		
\$20.72 - \$20.72	564,752	20.72		4,446	. 20,72		
\$24.98 - \$24.98	455,580	24.98		369	24.98		
\$30,55 - \$30,55	270,467	30.55		1,250	30,55		
	13,804,788	8.59	6,06	3,506,279	5.05	5,19	

The aggregate intrinsic value represents the total pretax intrinsic value (i.e., the difference between our common stock price and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options. The aggregate intrinsic value of options outstanding as of December 31, 2011 and 2010 was \$243.9 million and \$250.1 million, respectively. The intrinsic value of options exercisable was \$142.8 million and \$75.7 million, and the intrinsic value of options vested and expected to vest was \$220.5 million and \$203.0 million as of December 31, 2011 and 2010, respectively. The total intrinsic value of options exercised was \$27.8 million and \$10.0 million for the years ended December 31, 2011 and 2010, respectively.

Fair Value Adoption

We adopted the fair value method on January 1, 2006 in recognizing stock-based compensation expense. Under the fair value method, we estimated the fair value of each option award and Employee Stock Purchase Plan (the ESPP) on the grant date using the Black-Scholes option pricing model and the weighted average assumptions noted in the following table.

	Year Ended December 31,				
	2011	2010	2009		
Risk-free interest rate:					
Stock options	2.0%	2.0%	2.2%		
ESPP	0.2%	-	-		
Expected term (in years);					
Stock options	6.0	5,3	4.6		
ESPP	0.5	-	-		
Expected volatility:					
Stock options	70%	71%	64%		
ESPP	59%	-	_		
Dividend yield;					
Stock options	0.0%	0.0%	0.0%		
ESPP	0.0%	-	-		

The weighted-average grant-date fair value for option awards granted during the years ended December 31, 2011, 2010 and 2009 was \$17.43, \$10.99 and \$3.00 per share, respectively. The weighted-average grant-date fair value for ESPP granted during the year ended December 31, 2011 and 2010 was \$7.52 and \$5.49 per share, respectively.

The fair value of the shares of common stock underlying the stock options has historically been determined by the Board of Directors as there was no public market for our common stock. The Board of Directors has determined fair value of the common stock at the time of each grant of options by considering a number of objective and subjective factors including valuation of comparable companies, sales of convertible preferred stock to unrelated third parties, operating and financial performance, the lack of liquidity of capital stock, and trends in the broader automobile industry. We have not granted stock options with an exercise price that is less than the fair value of the underlying common stock as determined at the time of grant by our Board of Directors, with input from management. The fair market value of the underlying common stock was determined by the Board of Directors until the completion of our IPO when our common stock was listed on an established stock exchange.

Information regarding our stock option grants during 2009 and the six months prior to the completion of our IPO, including the grant date; the number of stock options issued with each grant; and the exercise price, which equals the grant date fair value of the underlying common stock for each grant of stock options, is summarized as follows:

		Pr	rerciso ice and r Valuc	
Grant Date	Number of Options Granted	per Share of Common Stock		
March 2, 2009	214.813	5	2.70	
April 13, 2009	1,005,837		2.70	
April 22, 2009	105, 184		2.70	
August 4, 2009	323,063		2.94	
October 21,2009	590,638		6.15	
December 4, 2009	7,977,444		6.63	
December 16, 2009	58,995		6.63	
March 3, 2010	402,660		9,96	
April 28, 2010	256,320		13.23	
June 12, 2010	1,135,710		14.17	

Included in our December 4, 2009 stock option grants were 6,711,972 stock options granted to our Chief Executive Officer in two separate grants. In recognition of his and our company's achievements and to create incentives for future success, our Board of Directors approved an option grant to our Chief Executive Officer representing 4% of our fully-diluted share base prior to such grant as of December 4, 2009, or 3,355,986 stock options, with 1/4th of the shares vesting immediately, and 1/36th of the remaining shares scheduled to vest each month over three years, assuming continued employment through each vesting date. In addition, to create incentives for the attainment of clear performance objectives around a key element of our current business plan—the successful launch and commercialization of Model S—the Board of Directors approved an additional option grant to our Chief Executive Officer totaling an additional 4% of our fully-diluted shares prior to such grant as of December 4, 2009, or 3,355,986 stock options, with a vesting schedule based entirely on the attainment of performance objectives as follows, assuming Mr. Musk's continued employment and service to us through each vesting date:

- 1/4th of the shares subject to the option are scheduled to vest upon the successful completion of Model S Engineering Prototype;
- 1/4th of the shares subject to the option are scheduled to vest upon the successful completion of Model S Validation Prototype;
- 1/4th of the shares subject to the option are scheduled to vest upon the completion of the first Model S Production Vehicle; and
- 1/4th of the shares subject to the option are scheduled to vest upon the completion of the 10,000th Model S Production Vehicle.

If he does not meet one or more of the above milestones prior to the fourth anniversary of the date of the grant, he will forfeit his right to the unvested portion of the grant.

Due to the significant number of stock options granted to our Chief Executive Officer, we valued these December 2009 grants by using the following grant-specific Black-Scholes assumptions: risk-free interest rate of 1.7%, expected term of 4.1 years, expected volatility of 70% and dividend yield of 0%. Stock-based compensation expense related to Mr. Musk's grants was \$6,3 million and \$9.2 million for the years ended December 31, 2011 and 2010, respectively.

Included in our June 2010 and September 2010 stock option grants were 666,300 and 20,000, respectively, of stock options granted to various members of our senior management with a vesting schedule based entirely on the attainment of the same performance objectives as those outlined for Mr. Musk above. Through December 31, 2011, the first two performance milestones were achieved and the remaining performance milestones were considered probable of achievement. For the years ended December 31, 2011 and 2010, we recognized \$4.9 million and \$8.9 million, respectively, of stock-based compensation expense related to the attainment of performance objectives.

The following table summarizes the consolidated stock-based compensation expense by line item in the consolidated statements of operations (in thousands):

Cost of sales Research and development Selling, general and administrative

	Ye	ar Ended	December 31,	
7	2011		2010	 2009
\$	670	S	243	\$ 61
	13,377		4,139	376
	15,372		16,774	 997
\$	29,419	\$	21,156	\$ 1,434

We realized no income tax benefit from stock option exercises in each of the periods presented due to recurring losses and valuation allowances. As required, we present excess tax benefits from the exercise of stock options, if any, as financing cash flows rather than operating cash flows.

As of December 31, 2011, we had \$55.2 million of total unrecognized compensation expense, net of estimated forfeitures, that will be recognized over a weighted-average period of 2.38 years.

Employee Stock Purchase Plan

Concurrent with the effectiveness of our registration statement on Form S-1 on June 28, 2010 (see Note 10), we established the ESPP. Under the ESPP, employees are eligible to purchase common stock through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The purchase price of the shares on each purchase date is equal to 85% of the lower of the fair market value of our common stock on the first and last trading days of each six-month offering period. During the year ended December 31, 2011, 223,458 shares were issued under the ESPP for \$3.9 million. A total of 2,615,749 shares of common stock have been reserved for issuance under the ESPP, and there were 2,392,291 shares available for issuance under the ESPP as of December 31, 2011.

12. Income Taxes

No provision for U.S. income taxes has been made due to cumulative losses since the commencement of operations.

A provision for income taxes of \$0.5 million, \$0.2 million and \$26,000 has been recognized for the years ended December 31, 2011, 2010 and 2009, respectively, related primarily to our subsidiaries located outside of the United States. Our net loss before provision for income taxes for the years ended December 31, 2011, 2010 and 2009 were as follows (in thousands):

•	Year Ended December 31,						
		2011		2010		2009	
Domeslic	s	254,761	\$	154,734	\$	56,983	
International		(839)		(579)		(1,269)	
Loss before income taxes	\$	253,922	\$	154,155	\$	55,714	

The components of the provision for income taxes for the years ended December 31, 2011, 2010 and 2009, consisted of the following (in thousands):

		Year Ended December 31,						
	20	2011		2009				
Current:								
Pederal	\$	- ;	\$ -	s -				
State		29	9	4				
Foreign ·		437	177	(53)				
Total current		466	_ 186	(49)				
Deferred;								
Federal		-	-	-				
State		-	-	-				
Foreign		23	(13)	75				
Total deferred	-	23	(13)	75				
Total provision for income taxes	\$	489	\$ 173	\$ 26				

Deferred tax assets (liabilities) as of December 31, 2011 and 2010 consisted of the following (in thousands):

	De	December 31, 2010		
Deforred tax assets:				
Net operating loss carry-forwards	\$	218,811	\$	140,642
Research and development credits		18,501		13,344
Deferred revenue		526		160
Inventory and warranty reserves		3,537		2,609
Depreciation and amerization		3,071		1,125
Accruals and others		3,970		2,940
Total deforred tax assets		248,416		160,820
Valuation allowance		(248,384)		(160,803)
Deferred tax liabilities:				
Undistributed earnings of foreign subsidiaries		-		-
Depreciation and amortization		(37)		_
Net deferred tax assets (liabilities)	\$	(5)	Ś	17

Reconciliation of statutory federal income taxes to our effective taxes for the years ended December 31, 2011, 2010 and 2009 is as follows (in thousands):

	Year Ended December 31,						
		2011		2010		2009	
Tax at statutory federal rate	\$	(86,333)	\$	(52,413)	\$	(18,943)	
State tax-net of federal benefit		(8,118)		(5,842)		(2,825)	
Nondeductible expenses		10,742		9,310		514	
Foreign income rate differential		(56)		254		(72)	
U.S. tax credits		(5,049)		(4,406)		(2,498)	
Other reconciling items		1,589		736		4,809	
Change in valuation allowance		87,714		52,534		19,041	
Provision for income taxes	\$	489	\$	173	S	26	

Management believes that based on the available information, it is more likely than not that the deferred tax assets will not be realized, such that a full valuation allowance is required against all U.S. deferred tax assets.

As of December 31, 2011, we had approximately \$605 million of federal and \$352 million of California operating loss carry-forwards available to offset future taxable income, \$21 million of which is associated with windfall tax benefits that will be recorded as additional paid-in capital when realized. These carryforwards will expire in varying amounts beginning in 2024 for federal and 2019 for state if unused. Additionally, we have research and development tax credits of approximately \$10.9 million and \$11.5 million for federal and state income tax purposes, respectively. If not utilized, the federal carry-forwards will expire in various amounts beginning in 2019. However, the state credits can be carried forward indefinitely.

We have indefinitely reinvested \$2,2 million of undistributed earnings of our foreign operations outside of our U.S. tax jurisdiction as of December 31, 2011. No deferred tax liability has been recognized for the remittance of such earnings to the U.S. since it is our intention to utilize these earnings to fund future foreign expansions including but not limited to, hiring of additional personnel, capital purchases, expansion into larger facilities, and potential new dealerships.

Federal and state laws can impose substantial restrictions on the utilization of net operating loss and tax credit carry-forwards in the event of an "ownership change," as defined in Section 382 of the Internal Revenue Code. Prior to our IPO, we performed a study and had determined that no significant limitation would be placed on the utilization of our net operating loss and tax credit carry-forwards as a result of prior ownership changes. We do not believe that our public offerings and private placements constituted

an ownership change resulting in limitations on our ability to use our net operating loss and tax credit carry-forwards; however, we have not yet performed a study subsequent to our IPO to determine whether such limitations exist.

Uncertain Tax Positions

Effective January 1, 2007, we adopted new accounting guidance related to the recognition, measurement and presentation of uncertain tax positions. As a result, we recorded net unrecognized tax benefits of \$11.5 million with an offset to the deferred tax assets with a full valuation allowance.

The aggregate changes in the balance of our gross unrecognized tax benefits during the years ended December 31, 2011, 2010 and 2009 were as follows (in thousands):

January 1, 2009	\$ 15,055
Increases in balances related to tax positions taken during current year	 541
December 31, 2009	 15,596
Increases in bulances related to tax positions taken during current year	797
December 31, 2010	 16,393
Increases in balances related to tax positions taken during current year	1,037
December 31, 2011	\$ 17,430

Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense and was \$5,000. As of December 31, 2011, unrecognized tax benefits of \$17.4 million, if recognized, would not affect our effective tax rate as the tax benefits would increase a deferred tax asset which is currently fully offset with a full valuation allowance. We do not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease within the next 12 months. We file income tax returns in the United States, California, various states, the United Kingdom and other foreign jurisdictions. Tax years 2008 to 2011 remain subject to examination for federal purposes, and tax years 2007 to 2011 remain subject to examination for California purposes. All net operating losses and tax credits generated to date are subject to adjustment for U.S. federal and California purposes. Tax years 2006 to 2011 remain open for examination in other U.S. state and foreign jurisdictions.

13. Information about Geographic Areas

We have determined that we operate in one reporting segment which is the design, development, manufacturing and sales of electric vehicles and electric vehicle powertrain components.

The following tables set forth revenues and long-lived assets by geographic area (in thousands).

Revenues

	 Year Ended December 31,						
	2011		2010		2009		
North America	\$ 109,233	\$	41,866	\$	90,833		
Енгоре	84,397		70,542		21,110		
Asin	 10,612		4,336				
Total	\$ 204,242	\$	116,744	\$	111,943		

During the years ended December 31, 2011, 2010 and 2009, we recognized revenues of \$103.9 million, \$37.6 million and \$90.5 million in the United States, respectively.

Long-lived Assets

		December 31, 2011		December 31, 2010	
United States	- \$	304,786	\$	119,014	
International	-5	5,384 310,170	<u>-</u>	3,585 122,599	
Total	<u></u>	310,170	->	122,399	

14. Development Services

Daimler AG

Dalmler Smart Fortwo EV Program

In May 2009, we and Daimler formalized a development arrangement related to Daimler's Smart fortwo electric vehicle program under which we were performing powertrain development activities since 2008. In May 2009, we entered into an agreement with Daimler related to the development of a battery pack and charger for Daimler's Smart fortwo electric drive. We began development efforts in the year ended December 31, 2008 and began receiving payments to compensate us for the cost of our development activities prior to entering into the formal agreement in May 2009. We received aggregate payments in the amount of \$10.2 million during 2008 for our services; however, we deferred recognition for these payments received in advance of the execution of the final agreement because a number of significant contractual terms were not in place prior to that time. Upon entering into the final agreement in May 2009, we had received and deferred an aggregate of \$14.5 million under the agreement. Under the terms of the final agreement, Daimler was to pay us an additional \$8.7 million subject to successful completion and acceptance of certain development milestones.

We recognized the \$14.5 million paid in advance of the execution of the final agreement as deferred development compensation on a straight-line basis. This amount was recognized over the expected life of the agreement, beginning in May 2009 and continuing through November 2009. Payments received upon the achievement of development milestones subsequent to the execution of the final agreement in May 2009 were recognized upon achievement and acceptance of the respective milestones. All amounts received under this agreement were recognized as an offset to research and development expenses, as we were performing development activities on behalf of Daimler, were being compensated for the cost of these activities and could not practicably separate the efforts or costs related to these activities from our own research and development. During the year ended December 31, 2009, we recognized \$23.2 million in development compensation, as an offset to research and development expenses. As of December 31, 2009, all development work related to the development agreement had been completed, and we had recognized the full \$23.2 million under the development agreement.

Upon completion of the development activities, we began selling powertrain components to Daimler for the Smart fortwo EV program. Powertrain component sales are recorded in automotive sales revenue and during the years ended December 31, 2011, 2010 and 2009, we recognized revenue of \$7.2 million, \$21.1 million and \$0.4 million, respectively.

Daimler A-Class Program

During the three months ended March 31, 2010, Daimler also engaged us to assist with the development and production of a battery pack and charger for a pilot fleet of its A-Class electric vehicles to be introduced in Europe during 2011. We began providing development services for this program during the three months ended March 31, 2010 and had received an aggregate of \$5.5 million in payments; however, as we had not executed a final agreement related to this program as of March 31,

2010, we deferred the \$5.5 million of payments that had been received from Daimler to that point. In May 2010, we executed a final agreement under which Daimler would make additional payments to us for the successful completion of certain development milestones and the delivery of prototype samples. As of December 31, 2010, all development work related to the development agreement had been completed, and we had recognized the full \$14.4 million under the development agreement.

As of December 31, 2010, all development work related to the A-Class EV development program had been completed and as such, no further development services revenue were recorded during the year ended December 31, 2011. Costs of development services incurred prior to the finalization of the A-Class agreement were recorded as research and development expenses. During the three months ended March 31, 2010, we recorded \$0.5 million of such costs in research and development.

Toyota Motor Corporation

Toyota RAV4 Program

In July 2010, we and Toyota entered into a Phase 0 agreement to initiate development of an electric powertrain for the Toyota RAV4. Under this early phase development agreement, prototypes would be made by us by combining the Toyota RAV4 model with a Tesla electric powertrain. We began producing and delivering prototypes to Toyota during the three months ended September 30, 2010. Pursuant to the agreement, Toyota would pay us up to \$9 million for the development services to be provided by us. During the years ended December 31, 2011 and 2010, we recognized \$7.6 million and \$1.3 million in development services revenue, respectively. As of December 31, 2011, we had delivered all prototypes.

In October 2010, we entered into a Phase 1 contract services agreement with Toyota for the development of a validated powertrain system, including a battery pack, power electronics module, motor, gearbox and associated software, which will be integrated into an electric vehicle version of the Toyota RAV4. Pursuant to the agreement, Toyota will pay us up to \$60.0 million for the successful completion of certain at risk development milestones and the delivery of prototype samples, including a \$5.0 million upfront payment that we received upon the execution of the agreement. Through December 31, 2011, we completed various milestones and along with the amortization of our upfront payment, we recognized \$47.4 million and \$3.3 million in development services revenue for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, we had deferred \$250,000 and \$4.0 million of the upfront payment in deferred revenues.

In July 2011, we entered into a supply and services agreement with Toyota for the supply of a validated electric powertrain system, including a battery pack, charging system, inverter, motor, gearbox and associated software, which will be integrated into an electric vehicle version of the Toyota RAV4. Additionally, we will provide Toyota with certain services related to the supply of the electric powertrain system. We plan to begin delivery of the electric powertrain system to Toyota for installation into the Toyota RAV4 EV in 2012 and as such, no payments have been received and no revenue has been recognized to date under this agreement. Future revenue to be recognized under this agreement will be recorded in automotive sales. Our production activities under this program are expected to continue through 2014.

15. Commitments and Contingencies

Operating Leases

Our corporate headquarters and powertrain production operations are based in Palo Alto, California where we have leased a facility consisting of 350,000 square feet. This lease expires in January 2016. We also lease office space under non-cancelable operating leases with various expiration dates through

December 2022. Rent expense for the years ended December 31, 2011, 2010 and 2009 was \$8.6 million, \$6.3 million and \$3.2 million, respectively.

Capital Leases

We have entered into various agreements to lease equipment under capital leases over terms between 36 and 60 months. The equipment under the leases are collateral for the lease obligations and are included within property, plant and equipment, net, on the consolidated balance sheets under the categories of computer equipment and software and office furniture and equipment.

Future minimum commitments for leases as of December 31, 2011 are as follows (in thousands):

,	 erating Leases	Apital Anses
2012	\$ 8,480	\$ 1,416
2013	8,489	1,349
2014	8, 163	974
2015	7,330	258
2016 and thereafter	 24,306	 231
Total minimum lease payments	\$ 56,768	 4,228
Less: Amounts representing interest not yet incurred	 	331
Present value of capital lease obligations		 3,897
Less; Current portion		 1,067
Long-term portion of capital lease obligations		\$ 2,830

DOE Loan Facility

We have received loans under the DOE Loan Facility (see Note 9). Future loan repayments for these loans as of December 31, 2011 are as follows (in thousands):

Long-term portion of loans under the DOE Loan Pacility	\$ 268,335
Less: Current portion	7,916
Principal amount of outstanding loans under the DOE Loan Facility	 276,251
Less: Amounts representing interest not yet incurred	 29,210
Total loan repayments under the DOE Loan Facility	 305,461
2016 and thereafter	 183,893
2015	35,460
2014	36,064
2013	36,676
2012	\$ 13,368

Environmental Liabilities

In May 2010, we entered into an agreement to purchase an existing automobile production facility located in Fremont, California from NUMMI (see Note 5). NUMMI has previously identified environmental conditions at the Fremont site which affect soil and groundwater, and until recently, were undertaking efforts to address these conditions. These conditions are now being addressed by us and NUMMI. Although we have been advised by NUMMI that it has documented and managed the environmental issues and we completed a reasonable level of diligence on such environmental issues at the time we purchased the facility, we cannot determine the exact potential costs to remediate any pre-existing contamination with any certainty. Based on management's best estimate, we estimated the fair value of the environmental liabilities that we assumed to be \$5.3 million. The fair value of these liabilities was determined based on an expected value analysis of the related potential costs to investigate, remediate and manage various environmental conditions that were identified as part of NUMMI's facility decommissioning activities as well as our own diligence efforts. As we continue with our construction

and operating activities, it is reasonably possible that our estimate of environmental liabilities may change materially.

We have reached an agreement with NUMMI under which, over a ten year period, we will pay the first \$15.0 million of any costs of any governmentally-required remediation activities for contamination that existed prior to the completion of the facility and land purchase for any known or unknown environmental conditions, and NUMMI has agreed to pay the next \$15.0 million for such remediation activities. Our agreement provides, in part, that NUMMI will pay up to the first \$15.0 million on our behalf if such expenses are incurred in the first four years of our agreement, subject to our reimbursement of such costs on the fourth anniversary date of the closing.

On the ten-year anniversary of the closing or whenever \$30.0 million has been spent on the remediation activities, whichever comes first, NUMMI's liability to us with respect to remediation activities ceases, and we are responsible for any and all environmental conditions at the Fremont site. At that point in time, we have agreed to indemnify, defend, and hold harmless NUMMI from all liability and we have released NUMMI for any known or unknown claims except for NUMMI's obligations for representations and warranties under the agreement. As of December 31, 2011, we have accrued \$5.3 million related to these environmental liabilities.

16. Subsequent Events

DOE Loan Facility Draw-Down

In February 2012, we received additional loans under the DOE Loan Facility of \$14.4 million at interest rates ranging from 0.9% to 1.4%.

17. Quarterly Results of Operations (Unaudited)

The following table includes selected quarterly results of operations data for the years ended December 31, 2011 and 2010 (in thousands, except per share data):

			Three mor	ths end	ed		_
	n	Iareli 31	June 30	Se	ptember 30	De	cember 31
2011							
Total revenues	\$	49,030	\$ 58,171	\$	57,666	\$	39,375
Gross profit		18,028	18,508		17,224		7,835
Net loss		(48,941)	(58,903)		(65,078)		(81,488)
Not loss per share, basic and diluted		(0.51)	(0,60)		(0,63)		(0.78)
2010							
Total revenues	\$	20,812	\$ 28,405	\$	31,241	\$	36,286
Gross profit		3,852	6,261		9,296		11,321
Net loss		(29,519)	(38,517)		(34,935)		(51,358)
Net loss per share, basic and diluted		(4.04)	(5.04)		(0.38)		(0.54)

Net loss per share, basic and diluted for the four quarters of each fiscal year may not sum to the total for the fiscal year because of the different numbers of shares outstanding during each period.

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Exhibit 8.1(c)(ii)

<u>Unaudited Consolidating Financial Statements for 2011</u>

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CONFIDENTIAL Exhibit 3,1[5](ii)	Tools Motors, inc. Consolidating Balanes Sheet As of December 31, 2011 (Unaudited) (in thousands)	Assets Current Assets Current Assets Current Assets Services manded Rechificat destrict Accounts received Investigation Proposition Interpretation Total current as	Optiming lease's Property plant and Property plant and Property Company (1) Sub-plant	Liabilities and Stockholders' Equity Control Librilities Gotton Payolities Annual Librilities (Definition with the Control Librilities (Control Librilities) Referencing (Spiniting) Referencing (Spiniting) Referencing (Spiniting)	Common grock was captal leave obli Captal leave obligated	Spork officers equity Common Stock Additional paid in or officers Accommissed of a front of the front officers Accommissed of a front officers Accommissed of a front officers Accommissed of a front officers Total tabilities and

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Exhibit 8.1(o)(ii)

Tesia Motors, inc.
Consolidating Statement of Operations
For the Twelve Months Ended December 31, 2011
(Insudited)
(In thousands)

US Contact Leasing Methodianes Italy Denmark Switzerland France Monaco Monway Germany UK Smadsare Hong Kong Jopen Australia IC Elimination.	: Consolidated Total :
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Operating expenses Cheracting expenses Cheracting expenses Cheracting expenses Cheracting expenses Constitution & data and a second & data an	51,585 202,661 104,102 513,083 (261,488)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

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Exhibit 8.1(c)(iv)

Audit Report from PwC

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Tesla Motors, Inc.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Tesla Motors, Inc. and its subsidiaries at December 31, 2011 and December 31, 2010, and the results of their operations and their each flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits (which was an integrated audit in 2011). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the fluxuoial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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 or procedures may detectorate.

PricewaterhouseCoopers LLP San Jose, California

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February 27, 2012

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Exhibit 8.1(c)(v)

Management Representation Letter



February 27, 2012

PricewaterhouseCoopers LLP 488 Almaden Boulevard Suite 1800 San Jose, CA 95110

We are providing this letter in connection with your audits of (1) the consolidated financial statements of Tesla Motors, Inc. (the "Company") as of December 31, 2011 and December 31, 2010 and for each of the three years in the period ended December 31, 2011 for the purpose of expressing an opinion as to whether such consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Tesla Motors, Inc. in conformity with accounting principles generally accepted in the United States of America; and (2) the Company's internal control over financial reporting as of December 31, 2011 for the purpose of expressing an opinion as to whether the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We confirm that we are responsible for the fair presentation in the consolidated financial statements of financial position, results of operations, and of cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies, establishing and maintaining effective internal control over financial reporting, and performing an assessment of the effectiveness of internal control over financial reporting based on criteria established in Internal Control-integrated Framework issued by the COSO.

Certain representations in this letter are described as being limited to those matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of February 27, 2012, the date of your report, the following representations made to you during your audits:

1. The consolidated financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Company is subject. We have prepared the Company's consolidated financial statements on the basis that the Company is able to continue as a going concern, including to meet its obligations in the ordinary course of business, and we are not aware of any significant information to the contrary.

- 2. We have made available to you:
 - a. All financial records and related data.
 - b. Unconditional access to persons within the entity from whom you have requested audit evidence.
 - c. All minutes of the meetings of stockholders, directors, and audit or other committees of directors, and summaries of actions of recent meetings for which minutes have not yet been prepared. The most recent meetings held were:
 - (1) Board of Director's Meeting: December 13, 2011
 - (2) Audit Committee Meeting: February 23, 2012
 - (3) Compensation Committee Meeting: February 6, 2012
 - (4) Nominating and Corporate Governance Committee: February 6, 2012
- 3. We have appropriately reconciled our books and records (e.g., general ledger accounts) underlying the consolidated financial statements to their related supporting information (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the consolidated financial statements, as necessary. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa. All consolidating entries have been properly recorded. All intra-entity accounts have been eliminated or appropriately measured and considered for disclosure in the consolidated financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 5. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the consolidated financial statements.
- 6. We have performed an evaluation and have made an assessment of the effectiveness of the Company's internal control over financial reporting based on criteria established in *Internal Control-Integrated Framework* issued by the COSO. We did not use any of the procedures you performed during your audits of internal control over financial reporting or the financial statements as part of the basis for our assessment of the effectiveness of internal control over financial reporting.
- 7. We have concluded, as set forth in our assessment, that the Company has maintained effective internal control over financial reporting based on criteria established in *Internal Control—Integrated Framework* issued by the COSO as of December 31, 2011. We have disclosed to you all deficiencies in the design or operation of internal control over financial reporting (whether or not remediated) identified as part of our assessment of the effectiveness of internal control over financial reporting as of December 31, 2011. We have also disclosed to you which of these deficiencies we believe are significant deficiencies in internal control over financial reporting. The items summarized in the accompanying schedule are appropriately (1) classified as significant deficiencies in internal control over financial reporting, both individually and in the aggregate; and (2) reflected as to the status of the remediation as of December 31, 2011. There were no material weaknesses during the year ended December 31, 2011.
- 8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.

- 9. We have no knowledge of any fraud or suspected fraud affecting the Company involving:
 - a. Senior management,
 - Management or other employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the consolidated financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, short sellers, or others.

(As to Items 8, 9 and 10 we understand the term "fraud" to mean those matters described in Statement on Auditing Standards No. 99.)

- 11. There have been no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the consolidated financial statements or as a basis for recording a loss contingency.
- The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 13. The following, if material, have been properly recorded or disclosed in the consolidated financial statements:
 - a. Relationships and transactions with related-parties, as described in Accounting Standards Codification (ASC) 850, Related Party Disclosures, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. There are no guarantees, whether written or oral, under which the Company is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with ASC 275, Risks and Uncertainties, 275-10-50. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
- 14. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the consolidated financial statements.
- 15. We consistently applied our policy regarding classification of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that there is insignificant risk of changes in value due to interest rate or other credit risk changes.
- 16. We have properly disclosed the carrying amount and classification of restricted cash. Restricted cash represents amounts restricted in connection with requirements under the Department of Energy ("DoE") foan facility, security held by a vendor as part of the vendor's standard credit policies, security deposits related to lease agreements and equipment financing, as well as certain refundable reservation payments segregated for regulatory purposes. Based on cost forecasts, we believe that the amount restricted in connection with the DoE loan will be classified to operating cash within the next 12 months. During the year ended December 31, 2011, we transferred \$50.1 million out of our

- DoE dedicated account to operating cash, net of deposits into such dedicated account. We confirm the transfers were in accordance with terms of the loan agreement.
- 17. The Company has compiled with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
- 18. Receivables recorded in the consolidated financial statements represent bona fide claims against debtors for sales or other charges arising on or before the balance sheet dates and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts which are collectible after one year. All receivables have been appropriately reduced to their estimated net realizable value.
- 19. We confirm that we have completed and (b) (4) (b) (4) and we have recognized revenue accordingly.
- 20. We adopted the amendments to ASC 605-25, Multiple Element Arrangements, and ASC 985, Software, resulting from EITF Issue 08-1, Revenue Recognition with Multiple Deliverables, and EITF Issue 09-3, Certain Revenue Arrangements that Include Software Elements. The amendments to ASC 985 were adopted in the same period as the amendments to ASC 605-25. We applied the new guidance to all arrangements entered into or materially modified prospectively from January 1, 2011.
- 21. We identified and accounted for all revenue arrangements involving multiple deliverables that were entered into or materially modified during the year in accordance with ASC 605, *Revenue Recognition* (ASC 605) and 605-25, *Multiple-Element Arrangements*. For these arrangements, we have properly:
 - Considered whether the deliverables in an arrangement are within the scope of other relevant GAAP and applied such literature to the extent that it provides guidance regarding whether and/or how to separate multiple-deliverable arrangements and how to allocate value among those separate units of accounting.
 - Determined, as applicable, whether the deliverables represent more than one unit of
 accounting at inception of the arrangement and as each item in the arrangement is delivered.
- 22. Inventories recorded in the consolidated financial statements are stated at the lower of cost or market, cost being determined on the basis of FIFO, and due provision was made to reduce all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values. Inventory quantities at the balance sheet dates were determined from physical counts or from perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees between November 1, 2011 and December 20, 2011. Liabilities for amounts unpaid are recorded for all items included in inventories at balance sheet dates and all quantities billed to customers at those dates are excluded from the inventory balances.
- 23. We believe our inventory reserve is appropriate and is based on consideration of a number of factors including the cessation of manufacturing of the Roadster in early 2012. Inventory for the Roadster that is not expected to be used in manufacturing or in after-market, has therefore been appropriately reserved for.
- 24. We confirm that our assessment of the residual value ascribed to the leased Roadsters is representative of the minimum amounts that could be recovered from the sale of those cars at the expiration of their lease terms. We have based our assumptions on the second hand value of comparable luxury sports cars as we do not have a history of selling second hand Roadsters.
- 25. All material liabilities of the Company of which we are aware are included in the consolidated financial statements at the balance sheet dates. There are no other material liabilities or gain or loss

contingencies that are required to be accrued or disclosed by ASC 450, *Contingencies*, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Topic.

- 26. No provisions are required for losses to be sustained as a result of purchase commitments for inventory at prices in excess of prevailing market prices.
- 27. Reservation payments as of December 31, 2011 and December 31, 2010 consist of deposits received for cars not yet delivered and are accounted for as a liability. All amounts received as deposits and not refunded or applied to the sale of a vehicle have been included in reservation payments at the dates indicated.
- 28. The Company is in compliance with the covenants related to the loan from the DoE during any of the periods presented, and we have disclosed to you all covenants and information related to how we determined compliance with the covenants. We confirm that based on our current forecast, we expect to be in compliance with all covenants for at least 12 months from the date of this letter. With consent to the Limited Walver to the Loan Arrangement and Reimbursement Agreement with the DoE dated February 22, 2012, we have complied with all of the conditions of Section 3 and believe the agreement to be effective and valid as of February 22, 2012.
- 29. We confirm that expenses recorded for Model S engineering, development, and tooling take into account the complete and final amounts expected, including expected overruns.
- 30. We are responsible for all significant estimates and judgments affecting the consolidated financial statements. Significant estimates and judgments and their underlying assumptions, methods, procedures and the source and reliability of supporting data are reasonable and based on applicable guidance, are completely and appropriately disclosed in the consolidated financial statements, and appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. The procedures and methods utilized in developing assumptions, estimates and judgments are appropriate and have been consistently applied in the periods presented. There have been no subsequent events which would require the adjustment of any significant estimate and related disclosures.
- 31. We confirm that the inputs used to measure the fair value of the warrants as at December 31, 2011 issued to the DoE under the loan agreement are reasonable. We confirm that the risk free rate of 2.0%, equity volatility of 55% and the credit spread of 500 bps are appropriate and representative of current market conditions. We also confirm that the discount rate used in the valuation is representative of the cost of capital available to the Company.
- 32. We recorded a liability related to the environmental remediation obligations that we assumed as part of the Fremont facility that was acquired in October 2010 at fair value. We know of no matters that would result in the assessment of this liability under ASC 450 to be greater than the fair value originally recorded under purchase accounting. The value of the liability is considered to be appropriate but not excessive at the period end.
- 33. Warranty provision and liability are estimated based on historical activity and judgment. The liability represents our best estimate of future obligations related to revenue recognized in the periods presented.
- 34. Assets and liabilities were measured both on a recurring and nonrecurring basis at fair value in accordance with ASC 820, Fair Value Measurements and Disclosures (ASC 820). The valuation was determined using an acceptable methodology applied on a consistent basis and taking into account reasonable assumptions, including highest and best use, non-performance risk and credit and liquidity risk adjustments. We classified and disclosed financial assets and liabilities in the consolidated financial statements as Level 1, Level 2 and Level 3 in accordance with ASC 820,

- including a description of inputs and information used to develop valuation techniques as well as facts that required a change to such techniques.
- 35. Shipping and handling fees and costs are appropriately recorded in accordance with ASC 605, Accounting for Shipping and Handling Fees and Costs. We have elected a consistent policy of classifying these amounts as revenue and cost.
- 36. We did not enter into any side letters or agreements (written or oral) in connection with sales agreements.
- 37. We provided you with complete customer contract files (including purchase orders, contracts, letter agreements, sales offers, shipping documents and other correspondence) for all customers for which you requested such documentation.
- 38. We recognize revenue in accordance with ASC 605-10, Revenue Recognition. We disclosed to you all sales terms (whether written or oral), including all customer-acceptance provisions, rights of return or price adjustments and all warranty provision. As part of evaluating the delivery criteria for revenue recognition, we specifically considered the impact of any continuing involvement. We identified and accounted for development arrangements entered into with (b) (4) (Phase 1) involving multiple deliverables in accordance with ASC 605-25, Revenue Recognition Multiple-Element Arrangements. For this arrangement, we have properly:

(b) (4)

- 39. We reviewed tangible long-lived assets, operating lease agreements that contain provisions that require the leased assets to be returned in the same condition that existed at lease inception and other agreements for associated asset retirement obligations (AROs), and we recognized all material related liabilities in accordance with ASC 410, Asset Retirement and Environmental Obligations (ASC 410). The fair value of AROs was determined in accordance with ASC 410.
- 40. We have assessed the emissions credits purchased as part of the acquisition of the Fremont facility for any indicators of impairment and noted no indicators of impairment.
- 41. We properly and consistently applied accounting policies for the provisions of ASC 718, Compensation-Stock Compensation (ASC 718), including requisite service period, attribution method, forfeiture rate assumption and the classification of awards as equity or a liability, and presented windfall tax benefits in the cash flow statement as financing inflows.

- 42. The fair value of share-based awards was determined using an acceptable model and reasonable assumptions in accordance with ASC 718 and SAB 107, Share-Based Payment, as amended by Topic 14 (SAB 107 and SAB 110).
- 43. In December 2009, we issued 3,355,986 options to our Chief Executive Officer and in June 2010 and September 2010, we issued 603,863 (net of forfeitures) and 20,000 options, respectively, to various members of the senior management of the Company. All these options vest based on the achievement of certain performance milestones. As at December 31, 2011, we determined that all four milestones are probable of being achieved, with the third and forth milestones being deemed probable as a result of the completion of the milestone for the beta prototype. In both April 2011 and July 2011, we issued 50,000 options to various members of the senior management that will vest based on the achievement of certain milestones. As at December 31, 2011, we determined that the first milestone is probable of being achieved. We have recognized stock-based compensation expense accordingly.
- 44. We have determined the grant date of stock-based compensation awards to be the date when (1) we have a mutual understanding of key terms and conditions of the award with the employee, (2) we are obligated to issue shares or transfer assets to employees who fulfill their vesting requirement, (3) the employee begins to be affected by the subsequent charges in the price of the stock, and (4) the award has been approved by the board of directors of the Company in accordance with ASC 718, Stock Compensation. We have mutual understanding of the key terms and conditions of the award with the employee on the date when the award has been approved by the board of directors of the Company and (1) the recipient of the award no longer has the ability to negotiate the key terms and conditions of the award, and (2) the key terms and conditions of the award will be communicated to the recipient in a relatively short time period from the approval date in accordance with FASB Staff Position ASC 718, Stock Compensation.
- 45. We have used valuation data from a number of peer companies in deriving our calculation of volatility (an assumption used for both stock based compensation expense and warrant liability) and also in deriving our credit spread (as assumption used for warrant liability) and confirm that these peer companies are considered to be appropriately comparable based on factors such as type of business, nature of business, size and sector.
- 46. We established a deferred tax asset valuation allowance in accordance with the provisions of ASC 740, *Income Taxes* (ASC 740). Based on the weight of the available evidence, the valuation allowance is adequate to reduce the total deferred tax asset to an amount that will, more-likely-thannot, be realized.
- 47. We disclosed in the consolidated financial statements and advised you of all significant tax positions for which it is reasonably possible the amount of unrecognized tax benefit will either increase or decrease in the next twelve months. We recognized changes in recognition and measurement of uncertain tax positions in the period to which they relate, including the interim period, and disclosed in the consolidated financial statements all individually significant changes in uncertain tax positions, even if the net amount of all such changes was insignificant. We recognized and measured all uncertain tax positions in accordance with ASC 740. We provided you access to all information related to significant uncertain income tax positions that we have taken or expect to take, including all related opinions and analyses.
- 48. We have not recognized deferred tax liabilities for undistributed earnings of any of our foreign subsidiaries because such amounts have been indefinitely reinvested. We provided you with support for specific plans and other evidence that support the assertion that we intend to reinvest these undistributed earnings indefinitely.
- 49. We provided you with all information related to significant income tax uncertainties of which we are aware. We also provided you with access to all opinions and analyses that relate to positions we

have taken regarding significant income tax matters. According to our records, the following is a complete listing of positions identified as potentially material uncertain tax positions:

- a. Federal and state (California) research and development tax credits.
- b. Federal net operating losses
- 50. We evaluated the requirements of ASC 280, Segment Reporting, and determined that we only have a single reportable segment since the Chief Operating Decision Maker, who is our CEO reviews the Company's financial and operating results at a consolidated level and does not review any information or make any decisions at a lower level than at an overall Company level.
- 51. We consider the functional currency for the parent company and for all our subsidiaries to be the US dollar in accordance with ASC 830, Foreign Currency Matters.
- 52. The unaudited interim financial information has been prepared and presented in conformity with GAAP applicable to interim financial information and with Item 302(a) of Regulation S-K. The unaudited quarterly financial information for the year ended December 31, 2011 also has been prepared on a basis consistent with the corresponding interim periods for the year ended December 31, 2010 and, to the degree appropriate, with the consolidated financial statements for the years ended December 31, 2011 and December 31, 2010. The unaudited interim financial information for the three months ended December 31, 2011 and December 31, 2010 does not include any material amount of year-end adjustments that have not been disclosed or any material amounts that should have been included in earlier interim periods of the respective fiscal years.

To the best of our knowledge and belief, there were no (1) events that have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned consolidated financial statements; and (2) changes in internal control over financial reporting or other factors that might significantly affect internal control over financial reporting, including any corrective actions taken by us with regard to significant deficiencies and material weaknesses, that have occurred subsequent to December 31, 2011 and through the date of this letter.

Elon Musk, President and Chief Executive Officer

Deepak Ahuja, Chief Financial Officer

Rex Liu, Corporate/Controller

Ex<u>hibit</u> 8.1(c)(vi)

No Default Letter from PwC



Report of Independent Registered Public Accounting Firm

To Management Of Tesla Motors, Inc. Tesla Motors, Inc. 3500 Deer Creek Road Palo Alto, CA 94304

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Tesla Motors, Inc. as of December 31, 2011 and the related consolidated statements of operations, of convertible preferred stock and stockholders' equity (deficit) and of cash flows for the year then ended, and have issued our report thereon dated February 27, 2012.

In connection with our audit, nothing came to our attention that caused us to believe that the Company failed to comply with the terms, covenants, provisions, or conditions of Phase A under Annex 9.1 of the Indenture dated January 20, 2010 with United States Department of Energy insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the board of directors and management of Tesla Motors, Inc. and the United States Department of Energy and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

Wanterbunkburgen UP

February 27, 2012

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration:	\$ 0 MM
Investment Amount:	\$ 0 MM
Cash Investment Amount:	\$ 0 MM

Exhibit 8.1(d)(v)(C)-1

Current Material Insurance Coverage

[See attached Certificate of Liability Insurance]



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04/29/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(les) must be endorsed. If SUBROGATION IS WAIVED, subject to

the terms and conditions of the policy, certain policies may require an e certificate holder in lieu of such endorsement(s).	ndorsement. A statement on this certificate does not confer rights to the
PRODUCER	CONTACT NAME:
Woodruff-Sawyer & Co.	PHONE FAX (A/C, No): (A/C, No):
50 California Street, Floor 12	E-MAIL ADDRESS:
San Francisco CA 94111	INSURER(S) AFFORDING COVERAGE NAIC#
(415) 391-2141	INSURER A: Federal Insurance Company 20281
Insured	INSURER B: National Union Fire Insurance Company of Pit 19445
Tesia Motors, Inc. 3500 Deer Creek Road	INSURER C:
Palo Alto, CA 94304	INSURER D:
•	INSURER E :
COVERAGES	INSURER F:
COVERAGES CERTIFICATE NUMBER: THIS IS TO CERTIFY THAT THE POLICES OF INSURANCE LISTED BELOW HA	REVISION NUMBER: VE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION	OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORD EXCLUSIONS AND CONDITIONS OF SUCH POLICIES, LIMITS SHOWN MAY HAVE	ED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
INSR TYPE OF INSURANCE INSR WYD POLICY NUMBER	POLICY EFF POLICY EXP LIMITS (MMIDDIVYYY) (MMIDDIVYYY) (MMIDDIVYYY)
A GENERAL LIABILITY (b) (4)	04/30/2011 04/30/2012 EACH OCCURRENCE (b) (4)
X COMMERCIAL GENERAL LIABILITY	DAMAGE TO RENTED PREMISES (Ea occurrence)
CLAIMS-MADE X OCCUR	MEO EXP (Any one person)
	PERSONAL & ADVINJURY
	GENERAL AGGREGATE
GEN'L AGGREGATE LIMIT APPLIES PER:	PRODUCTS - COMPTOP AGG
POLICY PRO- LOC	COLONICO CINCI E LIMIT
A AUTOMOBILE LIABILITY	04/30/2011 04/30/2012 COMBINED SINGLE LIMIT
X ANY AUTO ALL OWNED SCHEDULED	SODILY INJURY (Per parson)
AUTOS AUTOS	BODILY INJURY (Per accident) PROPERTY DAMAGE Liter accident
HIRED AUTOS AUTOS	(Per accidant)
A X UMBRELLA LIAB X OCCUR	DA/20/2011 04/20/2010 Excu Occupanting
A X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE	04/30/2011 04/30/2012 EACH OCCURRENCE AGGNEGATE
DED RETENTIONS	Moduciónic
D WORKERS COMPENSATION	05/01/2011 05/01/2012 X WC STATU OTH-
AND CRIPCOTERS CIABILITY VIA 1	E.L. EACH ACCIDENT
ANY PROPRIETORIPARTNER/EXECUTIVE 1/N OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	E.L. DISEASE - EA EMPLOYEE
If yes, describe under DESCRIPTION OF OPERATIONS below	E.L. DISEASE - POLICY LIMIT
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 181, Additional Remarks Issued for Evidence of Insurance Purposes Only	Schedule, if more apace is required)
to bytached of management supposes only	
CERTIFICATE HOLDER	CANCELLATION
Evidence of Insurance	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN
•	ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE
	Law MM as
LOAN #:	· · · · · · · · · · · · · · · · · · ·

Exhibit 8.1(d)(v)(C)-2

Material Insurance Coverage for 2012

[See attached Certificate of Liability Insurance]



CERTIFICATE OF LIABILITY INSURANCE

04/29/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(les) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s). PRODUCER Woodruff-Sawyer & Co. 50 California Street, Floor 12 ADDRESS San Francisco CA 94111 INSURER(S) AFFORDING COVERAGE NAIG# (415) 391-2141 INSURERA: Federal Insurance Company 20281 INSURED INSURER B: National Union Fire Insurance Company of Pit 19445 Tesla Motors, Inc. INSURER C 3500 Deer Creek Road INSURER D Palo Alto, CA 94304 INSURER E MOURER F : COVERAGES CERTIFICATE NUMBER: REVISION NUMBER: THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. ADDLISUER INSR. WVD POLICY EFF POLICY EXP
(MM/DD/YYYY) (MM/DD/YYYY) TYPE OF INSURANCE Limits POLICY NUMBER (b) (4) GENERAL LIABILITY (b) (4) 04/30/2011 04/30/2012 EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE GEN'L AGGREGATE LIMIT APPLIES PER; PRODUCTS - COMPYOP AGG POLICY PRO-04/30/2012 COMBINED SINGLE LIMIT A AUTOMOBILE LIABILITY 04/30/2011 Х BODILY INJURY (Per person) ANY AUTO SCHEDULED ALL OWNED AUTOS BODILY INJURY (Per accident) AUTOS NON-OWNED PROPERTY DAMAGE HIRED AUTOS AUTOS UMBRELLA LIAD A Х 04/30/2011 04/30/2012 EACH OCCURRENCE OCCUR EXCESS LIAB CLAIMS-MADE AGGREGATE DED RETENTION \$ WORKERS COMPENSATION X WC STATU-В 05/01/2012 05/01/2011 AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? E.L. EACH ACCIDENT NZA E.L. DISEASE - EA EMPLOYEE (Mandatory In NH) f yes, describe under DESCRIPTION OF OPERATIONS below EL. DISEASE - POLICY LIMIT DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) Issued for Evidence of Insurance Purposes Only CERTIFICATE HOLDER CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE Evidence of Insurance THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

LOAN #:

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: April 27, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to Sections 8.1(d) and 8.2(b) of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "Arrangement Agreement"), by and between (i) Tesla Motors, Inc. (the "Borrower") and (ii) the United States Department of Energy ("DOE").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of March 31, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву;	MILL	

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of March 31, 2012 (In thousands)

Assets	3/31/2012 (Unaudited)
Current Assets	***
Gash and cash equivalents	\$== 218,570
Restricted cash	39,199
Short-term marketable socurities	25,009
Accounts receivable:	13,589
Inventory	56,427
Prepald expenses and other current assets	7,103
Total current assets	358,897
No.	
Operating lease vehicles, net	12,046
Property and equipment, net	364,128
Restricted cash	3,805
Other assets	22,224
Total assets	\$== <u>761,100</u> +
Liabilities and Stockholders' Equity	
Current Liabilities	europe were supplied to the ST FE Kine (14.2 cog
Accounts payable	\$ 64,333
Accrued fiabilities	33,613
Deferred revenue	2,594
Capital lease obligations, current portion	1,670
Reservation payments	113,318
Current portion of long term debt	20,194
iotal current llabilities	235,723
Common stock warrant liability	8,683
Capital lease obligations, less current portion	3,721
Long-term debt, less current portion	340,323
Deferred revenue, less current portion	3,072
Other long term liabilities	. · · · · · · · · · · · · · · · · · · ·
Total liabilities	607,228
Stockholders' equity	
Common stock	105
Additional paid in capital	913,040
Accumulated other comprehensive income (loss)	(6)
Accumulated deficit	(759,267)
Total stockholders' equily	153,872
Total liabilities and stockholders' equity	761,100

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc Consolidated Statements of Operations For the Month and three months ended March 31, 2012 (In thousands)

	Mar-12 (Unaudited)	YTD 2012 (Unaudited)
Revenue Automotive sales	13;(21=	19,245
Development services	8,826	10,922
otal revenues	21,946	30,167
Cost of revenues Automotive sales	9,181	13,932
Development services	3,720	6 .025
Total cost of revenues	12,901	=======================================
Gross profit	9,046	10,210
Operating expenses Research & development	29,841	68,391
Selling, general and administrative	14,421	30,582
Total operating expenses	44,261	98,973
Operating loss	(35;216)	(88,763)
Interest income Interest expense Other income:(expense)	_30 841 (99)	90 (65) (1,076)
Loss before income taxes	(84,444)	(89,814)
Text and the state of the state	59,	5. 59.
Net loss	(34,503)	(89,873)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and three months ended March 31, 2012
(in thousands)

(in the second of the second o	Mar-12 YTD 2012		
	Santania S	(Unaudited)	(Unaudited)
Cash flows from Operating activities		*	
Net loss	\$	(34,503)	\$ (89,873)
Adjustments to reconcile net loss to net cash			
used in provided by operating activities;			
Depreciation and amortization		⊙ = . 1,674	4,163
Change In fair value of warrant (fability		(155)	(155)
Discounts and premiums on short term marketable securities	iisi i	- 7	41
Stock based compensation	through the factor	10,711	10,711
Npn cash charges related to fixed assets		24	182 7
Inventory writedowns		2,612	2,612
Changes in operating assets and liabilities:			the state of the s
Accounts receivable		(10,274)	(4,049)
Inventory	-	(3,152)	(6,002)
Propaid expenses and other current assets	a our A	3,022	2,483
Operating lease vehicles	azoerni	(713)	(816)
Olher assets	\$2.5×2.2	137	(14)
Accounts payable	11-1200	17,395	5,942
- Accrued liabilities	- Contraction	6,803	2 166
Other long term flabilities		550 299	790
Deferred revenue Reservation payments		200 100 100 100 100 100 100 100 100 100	176 21,557
	2000000	5,433 (222)	
Net cash used in operating addivities		(222)	(50,087)
Cash flows from Investing activities			
Purchases of properly and equipment, excluding capital leases		(33,009)	(67,987)
Withdrawals from (Iransfers Into) our dedicated Department of Energy account	300, d	(7.539)	(10,998)
Investment in short-term marketable securilies			(14,992)
Maturities of short-term marketable securities	Patrick.		15,000
Decrease (increase) in restricted cash-deposits	edolii.	(299) -	
Net cash proyided by (used in) investing activities		(40,847)	(79,440)
Hot cont bressen at tracks my minoral segretary	_	(1010 117	3.911.147
Cash flows from Financing activities			
Proceeds from rioles payable		69,915	84,267
Other issuances of common stock	ri Cirimita	3,246	8,993
Principal payments on capital leases and other debt		(187)	(429)
Net cash provided by financing activities		72,974	92,831
increase (decrease) in cash and cash equivalents		31,904	(36,697)
Cash and cash equivalents, beginning of period	55%F(186,666	255,266
		200 200 200 A D T T T T T T T T T T T T T T T T T T	A 7 3 7 3 7 3 7 3 7 3 7 3 7 3 7 3 7 3 7
Cash and cash equivalents, end of period	3	218,670	\$ 248,570

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: May 15, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2012, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	MICO	-	

Name: DREPAK ANJA

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Balance Sheets
As of March 31, 2012 and December 31, 2011
(In thousands)

	Mar-12	Dec-11
Assets		
Current Assets		
Cash and cash equivalents	\$ 218,570 \$	255,266
Short-term marketable securities	25,009	25,061
Restricted cash	39,199	23,476
Accounts receivable	13,589	9,539
Inventory	55,427	50,082
Prepaid expenses and other current assets	7,103	9,414
Total current assets	358,897	372,838
Operating lease vehicles, net	12,046	11,757
Property, plant and equipment, net	364,128	298,414
Restricted cash	3,805	8,068
Other assets	22,224	22,371
Total assets	\$ 761,100 \$	713,448
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 64/333 \$	56,141
Accrued liabilities	33,613	32,109
Deferred revenue	2,594	2,345
Capital lease obligations, current portion	1,670	1,067
Reservation payments	119,318	91,761
Long term debt, current portion	20,194	7,916
Total current liabilities	235,722	191,339
Common stock warrant liability	8,683	8,838
Capital lease obligations, less current portion	3,721	2,830
Deferred revenue, less current portion	3,072	3,146
Long-term debt, less current portion	340,323	268,335
Other long-term liabilities	15,705	14,915
Total liabilities	607,226	489,403
Stockholders' equity (deficit)		
Common stock	105	104
Additional paid-in capital	913,040	893,336
Accumulated other comprehensive loss	(6)	(3)
Accumulated deficit	(759,265)	(669,392)
Total stockholders' equity	153,874	224,045
Total liabilities and stockholders' equity	\$ 761,100 \$	713,448
19 minum in California de Cali	a 101 100 a	110,448

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Three months ended

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations (In thousands)

	March 31,		
	2012	2011	
	(Unaudited)	(Unaudited)	
Revenue	Page to recover to open and a page		
Automotive sales	\$ 19,245	\$ 33,628	
Development services	10,922	15,402	
Total revenues	30,167	49,030	
Cost of revenues			
Automotive sales	13,932	26,961	
Development services	6,025	4,041	
Total cost of revenues	19,957	31,002	
Gross profit	10,210	18,028	
Operating expenses			
Research & development	68,391	41,162	
Selling, general and administrative	30,582	24,212	
Total operating expenses	98,973	65,374	
Loss from operations	(88,763)	(47,346)	
Interest income	90	40	
Interest expense Other income (expense); net	(65) (1,076)	(1,485)	
Loss before income taxes	(89,814)	(48,791)	
Provision for income taxes	59	150	
Net loss	\$ (89,873)	\$ (48,941)	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Three months ended

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

	March 31,			
	200	2012		2011
		(Unaudited)		(Unaudited)
Cash flows from Operating activities				
Net loss	\$	(89,873)	\$	(48,941)
Adjustments to reconcile net loss to net cash				
used in operating activities:	and the state of t			administrative to the second
Depreciation and amortization	60 10 10 10 10 10 10 10 10 10 10 10 10 10	4,163		3,517
Change in fair value of warrant liabilities	#01#Ch0000000000000000	(155)	ana Dansen e se s	1,421
Discounts and premiums on short-term marketable securities	An and desired the second seco	41		
Stock-based compensation	everter a verdet	10,711	Crack-co-	5,926
Other		182		11
Inventory write-downs	gg garan-aran	2,612	emanas	383
Changes in operating assets and liabilities				//
Accounts receivable	Sink harder state in	(4,050)	areni-Filia	(13,550)
Inventories and operating lease vehicles	#27029190019050 #27029190019050	(5,600)		(6,963)
Prepaid expenses and other current assets Other assets		2,483 (14)	nazatt	(1,423)
Accounts payable	35400 HM	5,942		(366) 7,958
Accrued liabilities	Frenchiscon.	948		(216)
Deferred revenue	les augusta	176	Mingdal	(509)
Reservation payments		21,557		8,657
Other long-term liabilities	Elitabeth Strawns Control	790		798
Net cash used in operating activities	noveomá milyží sigy vejkychty	(50,087)		(43,297)
		(00,000)		
Cash flows from Investing activities				
Purchases of marketable securifies		(14,992)		
Maturities of short-term marketable securities	(Medicana analys	15,000	w.************	The Commence of the same and the Comment
Purchases of property and equipment		(67,987)		(20,476)
Withdrawals out of (transfer into) our dedicated DoE account		(10,998)		30,654
Decrease (Increase) in other restricted cash		(463)		(67)
Net cash provided by (used in) investing activities		(79,440)		10,111
Cash flows from Financing activities	to a constraint	a alaka merengan seria.	737787282	XX 2004 2004 2004 2004 2004 2004 2005 2005
Principal payments on capital leases and other debt	escales de	(429)		(79)
Proceeds from long-term debt and other long-term liabilities	Section (1991) (1992) (1	84,267	MARKEUS SE	30,656
Proceeds from exercise of stock options and other stock issuances		8,993	498-0302	3,706
Net cash provided by financing activities		92,831		34,283
Increase (decrease) in cash and cash equivalents	property of the second	(36,696)		1,097
	(Constanting)		www.P.S.S.	
Cash and cash equivalents, beginning of period		255,266		99,558
	acta accommunic			
Cash and cash equivalents, end of period	\$	218,570	Φ	100,655

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Stockholders' Equity
For the Three Months Ended March 31, 2012
(Unaudited)
(In thousands)

· · · · · · =	Commo Shares	on Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2011	104.530,305	104	\$ 893,336	\$ (669,392)	\$ (3)	S 224,045
Stock-based compensation Gain/(Loss) on investment securities Net loss	#31131393138139311#00.W		8,993 10,711 -	(89,873)	(0)	8,994 10,711 (3) (89,873)
Belance at March 31, 2012	105,164,770	105	913,040	(759,265)	(6)	153,874

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

CONFIDENTIAL. This document was developed at private expense and frotudes trade secrets and commercial or fritandal information, or both, that Testa Motors, Inc., considers privileged, confidential and exempt from disclosure under the Freedom of information Act (6 U.S.C. § 582(b).

Exhibit 8.1(d)(1)

Tesla Motors, Inc.
Consolidating Batance Sheet
As of March 31, 2012
(Unaudited)
(in thousands)

		16 113 200 \$ 115 35 35 113 200 \$ 115 35 35 113 35 113 35 113 35 113 35 113 35 113 35 113 35 113 35 113 35 113 35 113 35 113 35 114 35 1111 35 115 35	9.21 (46.11) 607.225 (42.11)	195 (201) (201) (201) (2010) (
24 (17 (24 (25 (17 (25 (12)(12))))))))))))))))))))))))))))))))	8 4.269 \$			12.59 (22.59
		1.5 (19) (1.4 (1.4 (1.4 (1.4 (1.4 (1.4 (1.4 (1.4		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
15 1777 (\$1)	1128 1128 1138 1148 1158 1158 1158 1158 1158 1158 115	1.0 (1.0 (1.0 (1.0 (1.0 (1.0 (1.0 (1.0 (15.976	153 (529)
16.5 (1.5 (1.5 (1.5 (1.5 (1.5 (1.5 (1.5 (1		22 3 4 1 3 1 3 1 1 3 1 2 1 2 1 2 1 2 1 2 1 2 1	24 24 25 - 24 - 24 - 24 - 24 - 24 - 24 - 24 -	1000 EVEN 1000 E
10.5	52 123 49 72 172 172 172 172 172 172 172 172 172 1		10.037 10.029 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.009 10.00	22 (20) (42)
23 22 123 1364 1,859	22 121 22 121 72 221 72 5.130	98.98 183 183 32.234		22 (ZZ)
		7.5 (10) 7.7 (10) 1.7 (10) 1.60 (10) 1.60 (10)		, u , au
(15) (15) (15) (15) (15) (15) (15) (15)	177 177 1870 S. L.	16. (17. (17. (17. (17. (17. (17. (17. (17	2 2713	
200 627 5 77. 5 77. 5 24. 5	122 122 2011 (2011 9.052 1.346 \$ 10.255	15	1,943 8,773	912.90 912.90 100 157.003 4 481
25,006 25,006 99,106 19,406 1,574 1,429 365,272	361,744 361,744 21,206 21,206 376,875 \$	1 100,733 \$ 20,634 1,1105 1,1105 20,154 20,154 20,154 20,154	3,566 on 3,566 01,71,944 340,323 34,346	9.2.967 9.2.967 (0) (1.6.037) 157,029
Assets Countral Assets Cou	Concentral thries Schulder Concentral to Concentral to	Liabilities and Stockhotders* Equity Cornort Labilities Advacivitie Psychols Logical Structures 20,634 7 2 13 77 20,634 7 2 77 13 77 14,105 16,07 Relativistic Structures 1,657 Relativistic Structures 20,164 Long-lemi doct, current portion 20,164 Long-lemi doct, cu	Copinion base variant lightly (1985) Capital base obligations, less current portion 3.866 Debrind develope, less current portion 1,944 Common lest in some month portion 340,325 Common lest in the lightly in the lest in	Stockholders' soully Logimies Slock pala Additional ball in special area 15.2 e7 Log paping Stockholders' sound to the stockhol

Exhibit 8.1(d)(i)

Testa Motors, Inc. Consolidating Statement of Operations For the Three Months Ended March 31, 2012 (Unaudited) (in thousands)

	US	Carrada Le	asino Nethe	dands : I	alv De	nmark - Switze	rland Fr	ance Mon	aco Non	way Germ	nanv .	UK Sinc	apore Ho	и Кола	Japan . A	ustralia - IC E	limination Cons	lidated Total
Revenues Automotive sales	s inc s		929 5	352 3		507 S	374 \$	708 3	293 [8]		3,681 5	3,419		1,015 \$	1,917 5	886 S	(110) \$	16,245
Development services	10,922			Berneseris		Zunsah 16200		######################################			ensina.		7,1607-550 <u>8.5</u> 3		DECEMBER:	93850054F00365	Other Market and Co	10,922
Intercompany revenue					139	Tardahulus Tardahu	108	BSB124020058			10 5	276	GERMANICIONES				(12,438)	
Total revenues	27,843	pa-pa- /146	929	35218 cm	142	507	480 111	798 1178	: 293 : (3):	regi s ian kreji	3,787	3,695	bilaskiju teolo	o.c. 1,015 ())		896	(12.549)	30,167
Cost of revenues Automotive sales	12,026		792	saer e nare.	0 (ileogr a ksidekiel	Tei 14 00000	767 145 161622	10 .555			2/1 59 (Y//)			30		277 h	13,882
Dovelopment services	(1) (1) (1) (1) (6) (25 (1)				er en	angeria da			yratikejite						SOLUTE EST			6,025
Intercompany COGS	1,628		KUMBETAN KO	166	. 9 39 500	420 441 []	1 431 (2012)	432 (432	211		3,434	2,673		3,323	1,467	756	(12,318)	
Total cost of revenues	19.87 0 (19.876)	, 1116 in . 58	211 -792 110-110.	(1 5)	(=140	427	444	580	221	iliy i kiyanda	3,515	3,232	ijojpi∳ANESUS)	823	7,567	807	(12.595)	19,957
Gross profit	7,963	Bo	138	237	2	80	35	128	72	2	272	463		192	410	89	46	10,210
Operating expenses Research & development	68,091				TIMKSME	ina taraha			(6)25 (6)		53175	503			e en le company		ggaaan k anyisel	58,391
Selling, general and administr	retive 25,170	152	TPE TT ERE	252	163	126	346	592	168	(3 33	527	1,955	esse campan	199	691	181	451855448CE148	30,582
Total operating expenses	93,251	152	17	252	163	127	346	592	152	33	538	2,269		199	183	181	-	98,973
	93,251	152		252 (15)	TOTAL ACAD STREET	127	346 (311)	592 (464)	162 (91)	33 (an)	538 (266)	2,269 (1,895)	1	199	681 (280)	181	46	98,973 (88,763)
Loss from operations	(65,287)	=											1 E20 10 ((5)(5) G2042(5)((6)	usel o				(88,763) (65)
Loss from operations	(65,267) (65,267)	((1)			(161) -	(148) (148)	610	(MEA)	(91)		(266)	(1,605)	1 1230 (5) (5) (5) (5) (6)	usel o	(280)	(192) (192) (193) (193)	12212 95 312133	(88,763)
Loss from operations Interest income Other Income (expense), net	(65,287) (69) 87 (940)	(29) (100)	31.9 21 (4.9.96 Bergerates 49.6 4 0.000	((5) (1) (4)	(161) (6)	(48) (8) (56)	(910) 25 (0) 25 (4)	(464) (6) (470)	(e1) E(t) 2 () () () () () () () () ()	(100 - 121 -	(266) (7) (273)	(1,805) (163) (1,968)		(O) (O)	(280) 73 (208)	(92) 3 (0) (50)	30 3 0 31 31 32 32 32 32 32 32 32 32 32 32 32 32 32	(65) 90 (6.076)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: May 29, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of April 30, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Зу:	Allerja
Name: Deepak Ahu	ja.
Γitle: <u>CFO</u>	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of April 30, 2012 (In thousands)

	4/30/2012
Assets	(Unaudited)
Current Assets	(ariadanoa)
Cash and cash equivalents	\$ 214,148
Restricted cash	39,200
Short-term marketable securities	00,200
Accounts receivable	2,646
Inventory	59,381
Prepaid expenses and other current assets	6,864
in the definition of the control of	
Total current assets	322,239
Operating lease vehicles, net	11,882
Property and equipment, net	378,632
Restricted cash	3,805
Other assets	22,242
Total assets \$	
1 Line I Otal assets	130,000
A foliable on a Signatura Discourt Principle of the	
Liabilities and Stockholders' Equity	
Current Liabilities	E STATE SERVICE
	\$ 65,171
Accrued liabilities	34,185
Deferred revenue	2,573
Capital lease obligations, current portion	2,425
	118,452
Current portion of long term debt	20,194
Total current liabilities	243,001
en e	
Common stock warrant liability	8,683
Capital lease obligations, less current portion	3,702
Long-term debt, less current portion	340,323
Deferred revenue, less current portion	3,013
	15,906
Total liabilities	614,628
Stockholders' equity	
Common stock	105
Additional paid in capital	913,630
Accumulated other comprehensive income (loss)	그 경우를 목행하는
Accumulated deficit	(789,563)
Total stockholders' equity	
The state of the s	
Total liabilities and stockholders' equity	738,800
and the control of th	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and four months ended April 38, 2012 (In thousands)

	Apr-12	YTD 2012
Revenue	(Unaudited)	(Unaudited)
Automotive sales	\$ 4,084	\$ 23,330
Development services.	4	10,926
Total revenues	4,088	34,256
Cost of revenues Automotive sales	3,364	17,296
Development services	2	6,027
Total cost of revenues	3,366	23,323
Gross profit	723	10,933
Operating expenses Research & development	21,485	89,876
Selling, general and administrative	8,980	39,562
Total operating expenses	30,465	129,438
Operating loss	(29,742)	(118,508)
Interest income Interest expense Other income (expense)	30 (549) (36)	120 (615) (1,112)
	(30,297)	
Tax (IIII Toka) (Color Bay) III York (Color Bay)		59
Net Joss 1917, 1919 1919 1919 1919 1919 1919	\$ (30,297)	\$ (120,171)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statement of Cash Flows For the Month and four months ended April 30, 2012 (in thousands)

(Apr-12	YTD 2012
	(Unaudited)	(Unaudited)
Cash flows from Operating activities	, ,	,
Net loss	\$ (30,297)	\$ (120,171)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,248	5,411
Change in fair value of warrant liability		(155)
Discounts and premiums on short-term marketable securities	To 15	56
Stock based compensation		10,711
Non cash charges related to fixed assets	276	458
Inventory writedowns		2,612
Changes in operating assets and liabilities:	ذيخ مد	
Accounts receivable	10,944	6,894
Inventory	(6,794)	(11,579)
Prepaid expenses and other current assets	240	2,723
Operating lease vehicles Other assets	(18)	(816)
		(33)
Accounts payable	3,678 883	9,620
Accrued liabilities Other long term liabilities	200	1,831 991
Other long term liabilities Deferred revenue	(80)	96
Reservation payments	5,135	26,691
Net cash used in operating activities	(14,570)	(64,659)
Met casti paen in operating activities		
Cash flows from investing activities		
Purchases of property and equipment, excluding capital leases	(15,232)	(83,218)
Withdrawals from (transfers into) our dedicated Department of Energy account	(1)	(10,999)
Investment in short-term marketable securities		(14,992)
Maturities of short-term marketable securities	25,000	40,000
Decrease (increase) in restricted cash deposits	owy or saidialis	(463)
Net cash provided by (used in) investing activities	9,767	(69,672)
Cash flows from Financing activities		
Proceeds from notes payable	a kada ak∑a	84,267
Other issuances of common stock	591	9,584
	(209)	(638)
Net cash provided by financing activities	382	93,212
Increase (decrease) in cash and cash equivalents	(4,422)	(41,118)
Cash and cash equivalents, beginning of period.	218,570	255,266
Cash and cash equivalents, end of period	\$ 214,148	\$ 214,148

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of April 30, 2012	\$322,238,580	
Total current liabilities as of April 30, 2012	\$124,548;268	Covenant
Current ratio as of April 30, 2012	2.59 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Coupont
Cash balance as of April 30, 2012	\$214,148,087	Covenant Requirement \$15,000,000
Total Cash Balance	\$214,148,087 >	\$6,825,263 Interest Expense Annualized \$21,825,263

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: June 25, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of May 31, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	Alleria	
<i></i>		-

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of May 31, 2012 (In thousands)

	/31/2012
Assets (L	Inaudited)
Current Assets	•
Cash and cash equivalents Restricted cash	183,177 32,228
Short-term marketable securities Accounts receivable	2,701
Inventory.	64,858
Prepaid expenses and other current assets	4,729
Total current assets	287,692
Operating lease vehicles, net	12,023
Property and equipment, net	396,439
Restricted cash	3,820
Other assets	22,328
Total assets\$	722,302
Liabilities and Stockholders' Equity Current Liabilities Accounts payable \$ Accrued liabilities Deferred revenue Capital lease obligations, current portion Reservation payments Current portion of long term debt — Total current liabilities Common stock warrant liability Capital lease obligations, less current portion Long-term debt, less current portion Deferred revenue, less current portion	64,302 32,686 2,565 2,866 126,308 20,194 248,910 6,683 3,681 348,417 3,017
Other long term liabilities	16,050
Total liabilities	628,758
Stockholders' equity	
	105
Additional pald in capital	913,966
Accumulated other comprehensive Income (loss) Accumulated deficit	(000 E02)
	(820,527)
Total stockholders' equity	93,544
Total liabilities and stockholders' equity	722,302

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and five months ended May 31, 2012 (In thousands)

	May-12	YTD 2012
	(Unaudited)	(Unaudited)
Revenue Automotive sales	\$ 5,618	\$ 28,848
Development services	300	11,026
Total revenues	5,618	39,874
Cost of revenues		
Automotive sales	4,807	22,103
Development services		6,028
Total cost of revenues	4,808	28,131
Gross profit	810	11,742
Operating expenses Research & development	21,882	111,757
Selling, general and administrative	9,363	48,926
Total operating expenses	31,245	160,683
Operating loss	(30,435	(148,941)
Interest Income		
Interest expense Other income (expense)	675) 22) (1,190) (1,090)
Loss before income taxes	(30,964	(151,076)
Tax		59
Net loss	\$ (30,964	\$ (151,135)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month and five months ended May 31, 2012 (in thousands)

(iii iiiossanos)	May-12	YTD 2012
	(Unaudited)	(Unaudited)
Cash flows from Operating activities		
Net loss	\$ (30,964) \$	(151,135)
Adjustments to reconcile net loss to net cash	한테 남아 청년에 된다.	
used in provided by operating activities:		
	1,308	6,719
	e Van de la companya d	(155)
Discounts and premiums on short-term marketable securities		56
Stock based compensation	en e	10,711
Non cash charges related to fixed assets	37	495
Inventory writedowns	-	2,612
Changes in operating assets and liabilities:	 Allerton of the framework 	. To the service and again.
Accounts receivable	(66)	6,839
Inventory Prepaid expenses and other current assets	(5,527)	(17,106)
Operating lease vehicles	2,135	4,857
Operating lease vertices Other assets	(308) (85)	(1,124)
Accounts payable	(819)	(118) 8,801
Accued liabilities	(427)	1.404
Other long term liabilities	145	1,135
Deferred revenue)	B2
Reservation payments	7,855	34,547
Net cash used in operating activities	(26,722)	
		(0,1,00,1)
Cash flows from Investing activities		
Purchases of property and equipment, excluding capital leases	(19,483)	(102,701)
Withdrawals from (transfers into) our dedicated Department of Energy account	8,092	(2,907)
Investment in short-term marketable securities		(14,992)
Maturities of short-term marketable securities	-	40,000
Decrease (increase) in restricted cash deposits	(1,135)	(1,698)
Net cash provided by (used in) investing activities	(12,526)	(82,198)
Cash flows from Financing activities		
Proceeds from notes payable	8,093	92,360
Other issuances of common stock	336	9,920
Principal payments on capital leases and other debt	(153)	
Net cash provided by financing activities	8,276	101,489
Increase (decrease) in cash and cash equivalents	(30,971)	(72,090)
Cash and cash equivalents, beginning of period	214,148	255,266
Cash and cash equivalents, end of period	\$ 183, 1 77 \$	183,177
- Secretaria Acon soleticatorus our ar bonori artir de l'estre et l'article et l'artir et l'artir et l'artir et	¥	2

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of May 31, 2012	\$287,692,269	
Total current liabilities as of May 31, 2012	\$122,602,000	Covenant
Current ratio as of May 31, 2012	2.35 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Comment
Cash balance as of May 31, 2012	\$183,176,632	Covenant Requirement \$15,000,000
Total Cash Balance	\$183,176,632 >	\$7,487,660 Interest Expense Annualized \$22,487,660

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: August 15, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of June 30, 2012, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	. 1 ()	
	Allaya	
	MIWI	
By:	NV 1	

Name: DREPAK ANJA

Title: CF0

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Balance Sheets
As of June 30, 2012 and December 31, 2011
(In thousands)

	Jun-12	Dec-11
Assets	(Unaudited)	
Current Assets		
Cash and cash equivalents	\$ 210,554 \$	255,266
Short-term marketable securities	-	25,061
Restricted cash	21,960	23,476
Accounts receivable	11,023	9,539
Inventory	66,669	50,082
Prepaid expenses and other current assets	6,920	9,414
Total current assets	317,126	372,838
Operating lease vehicles, net	11,783	11,757
Property, plant and equipment, net	421,859	298,414
Restricted cash	3,973	8,068
Other assets	22,128	22,371
Total assets	\$ 776,869 \$	713,448
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 78,601 \$	56,141
Accrued liabilities	33,613	32,109
Deferred revenue	2,767	2,345
Capital lease obligations, current portion	2,461	1,067
Reservation payments	133,447	91,761
Long term debt, current portion	35,637	7,916
Total current liabilities	286,526	191,339
A Laboratoria de la Carta de Laboratoria de Laboratori	8,529	7 020
Common stock warrant liability Capital lease obligations, less current portion	6,528 4,720	8,838 2,830
Deferred revenue, less current portion	2,610	3,146
	mental SELS have some contractor and the selection of the	F-10-2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-
Long-term debt, less current portion	396,155	268,335
Other long-term liabilities	16,114	14,915
Total liabilities	714,654	489,403
Stockholders' equity (deficit)		
Common stock	105	104
Additional paid-in capital	926,981	893,336
Accumulated other comprehensive loss		(3)
Accumulated deficit	(864,871)	(669.392)
Total stockholders' equity	62,215	224,045
Total liabilities and stockholders' equity		
toda navinues and stockholders equity	\$ 776,869 \$	(13,448

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations (In thousands)

	June		June June	
	2012	2011	2012	2011
B	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue -Automotive sales	22,054	\$ 39,028	\$ 41,299	\$ 72,656
Development services	4,599	19,143	15,521	34,545
Total revenues	26,653	58,171	56,820	107,201
Cost of revenues				
Automotive sales	20,150	30,528	34,082	57,489
Development services	1,741	9,135	7,766	13,176
Total cost of revenues	21,891	39,663	41,848	70,665
Gross profit	4,762	18,508	14,972	36,536
Operating expenses				
Research & development	74,854	52,531	143,245	93,693
Selling, general and administrative	36,083	24,716	66,665	48,928
Total operating expenses	110,937	77,247	209,910	142,621
Loss from operations	(106,175)	(58,739)	(194,938)	(106,085)
Interest income	- 74	46	164	86
Interest expense Other income (expense), riet	(84) 691	(71)	(149) (385)	(1,558)
Loss before income taxes	(105,494)	(58,764)	(195,308)	(107,555)
Provision for income taxes	109	139	168	289 j
Net loss	(105,603)	\$ (58;903)	\$ (195,476)	\$ (107,844)

Three months ended

Six months ended

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

	Three months		Six months er	nded
	June 30	<u>, </u>	June 30,	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from Operating activities				
Net loss	\$ (105,603) \$	(58,903)	\$ (195,476) \$	(107,844)
Adjustments to reconcile net loss to net cash				
used in operating activities:				
Depreciation and amortization	4 348	4,317	8,511	7,835
Change in fair value of warrant liability Discounts and premiums on short-term marketable securities	(155) 15	340	(309)	1,761
Stock-based compensation	12,543	and the second s	56 23,254	12,852
Inventory write-downs	12,543	6,926 26 9	23,234 3.678	652
Other	838	209 218	1.020	229
Changes in operating assets and liabilities		210	1,020	229
Accounts receivable	2,568	(3,048)	(1,483)	(16,598)
Inventories and operating lease vehicles	(12,838)	(5,999)	(18,438)	(12,964)
Prepaid expenses and other current assets	97	1,581	2.580	158
Other assets	(85)	(9)	(79)	(375)
Accounts payable and accrued liabilities	15,961	18,375	22,847	26,118
Deferred revenue	(290)	(614)	(114)	(1,123)
Reservation payments	20,129	13,774	41,686	22,431
Other long-term liabilities	409	285	1,199	1,083
Net cash used in operating activities	(60,979)	(22,488)	(111,068)	(65,785)
				
Cash flows from investing activities	AND STUMPEUR FESTANDA INSCRIPTION OF		EFFORT TO THE PARTY OF THE PART	PORT OF THE PROPERTY OF THE PR
Purchases of marketable securities Maturities of short-term marketable securities	07.000		(14,992)	
	25,000 (61,286)	(54,314)	40,000 (129,273)	(74,790)
Purchases of property and equipment: Withdrawals out of (transfer into) our dedicated DoE account	19,216	31,692	8.218	62,348
norease in other restricted cash	(2,145)	(500)	(2,608)	02,340 (569):
Net cash used in investing activities	(19,215)	(23,122)	(98,655)	(13,011)
Last cash traca III lifacoral à activities	(18,210)	(23,122)	(80,000)	(10,011)
Cash flows from Financing activities				
Principal payments on capital leases and other debt	(492)	(50)	(921)	(129)
Proceeds from long-term debt	71,274	31,693	155,541	62,349
Proceeds from exercise of stock options and older stock issuances	1,397	1,211	10,891	4,917
Proceeds from issuance of common stock in a follow-on offering	-	172,423		172,423
Proceeds from issuance of common stock in private placements		59,058		59,058
Net cash provided by financing activities	72,179	264,335	165,011	298,618
Increase (decrease) in cash and cash equivalents	(8,015)	218,725	(44,712)	219,822
Cash and cash equivalents, beginning of period	218,570	100,655	255,266	99,558
Cash and cash equivalents, end of period	\$ 210,554 \$	319,380	\$ 210,554 \$	319,380

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc. Consolidated Statement of Stockholders' Equity For the Six Months Ended June 30, 2012 (Unaudited) (in thousands)

	Common Stock Shares Amount 104,530,305		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2011	104,530,305	104	893,336	(689,395)	(3)	224,045
Issuance el common stock upon exercise of stock options & ESPP Stock-based compensation (Sain/Loss) on investment securities Net loss Balance as of June 30, 2012	-		23,254	-		10,392 23,254 3 (195,476) 52,217

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidating Balance Sheet As of June 30, 2012 (Unaudited) (in thousands)

ousands)	ile	Canada	Leasing 1	lothoriands	Italia	Norway	Donmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kons	Japan	Austra	dia JC Sti	mination Co	nsolidated
			<u> </u>			lionizy	- T-11111111111111111111111111111111111	711111111111111					<u> </u>	-10-20-20-2					
Assets	nanon-embaracenta-en-	Santan arada/isis	an improvement law-screen	erryn ir it lee er ow	ero my hana mananan (13270 monomental	Statement to the Market	enservered für für bereite	ali 8 (2000) no españ	ets tige normation pro-	Charles produktariana	nave server	~ (2.1797) 7 FUCKES	enewersen er an andere	eraneari riyiyir assa	alan karangan propinsi	COMMENT OF LOSS OF	eeromo na hiilaanno	er ergenye iti me <u>sa</u> a
end cash equivalents term marketable securities	\$ 192,065	\$ 1,849 3	\$ 1111111111111111111111111111111111111	\$ 1,038		1,845		1.03 \$ 03223 0.016.79 -	8 \$ 92		\$ 2.582	\$ 2,224	3341557731558	S 1,65	7 5	###########	425 \$		MD98869
cled cash	21,950	exercitation (18850/4/1916/15	nkkerariane			ONATION CHARGES				CONTRACTOR	ana a fina da da fina da			4500320032			8/16801 - 10/68178	
nts receivable	4,125	15	75	75	4	22			5		50			ana na manasana ana na mana na		39	10		1784(17)69
yy. d expenses and other current asset	63,391 6 3,818	(2)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)		265 16	275 215	245	24; 31				914 199					06	24 63	74 IN	
mpany Receivables	0.57679 (149 35.233 77)		ลเรยยเช่นนี้ เรีย	2.096	376 1398	E 50 771									\$00000000			(\$0 142)	91976890a
d current assets	320,612	2,005	545	3,481	2,973	2,891	2,754	3,3	6 2,43	2,026	5,642	22,201	12	1,65	7 4,0	67	522	(60,068)	
ng leasé vehicles, nel		1,226	1500 2 11 2 10		ereléseleseki	ilinamend i		-	0 27	Tagundania	437	1,261					garanagara Tarangaran	(1,859)	Benevelini Benevelini
y, plant and equipment, net	419,605	113 economistration	HEIDENSTONE GER	168 1969/1981: ####################################	123 ((28) 418 (41) 4 0	98 116	46 2000/00/00/00/00/	11		, 2010/00/01/01/01/01/04	1 65 •066747886844	467	_ STREET OF THE STREET		8 8	05 Sistematera (171)	63 2001-01-00-01-01-01	TULEDOUBLICSCOLL	SCANNICTE PARE
ed rash sects	3,640 21,075				116646 (11664) 46		414,416,614,614,614,614,614,614,614,614,		951/1251)U215121 - 16		3000140414141555 50	10731175.222.0 2 287			mudika@1200 4 3	125)2441245233 98	iiigaangg	nograpa interest	(2)(12(11),31)
nent in Sutisidiaries I assets	25 FINE BURNES	/ 京都市場 1218年1212	gandarahung)	DEALERS	(SUERGII) (SUERGE)	ntgaggettise	lentrichten in	网络玻璃铁锅锅	WURTERS	erski semiera	ggrowert	NEW BURNES	udamerang graft	the said of the said and the said of		augremier		(351)	PUSPERNI
ll assets	\$ 765,233	\$ 3,346 \$	\$ 9,661	\$ 3,649 (3,142	\$ 3,096	\$ 2,867	7 \$5,0	7 \$ 2,90	\$ 2,026	\$ 6,294	\$ 24,243	\$ 12	\$ 1,75	7 \$ 5,2	70 \$	585 \$	(62,228) \$	
i laulilides d revenus lease obligations. Current portion stice bayments m debt, current portion npany Psydbles Current Liabilities	30,583 2,22 2,448 128,144 35,637 85 276,264	2,229 378 3,312	13 658 9 8 (83 8,862	139 13,518 3,618 3,673	78 2003 (314) 3,034 3,119	30 30 2.974 3,162	2.58	()	3 5000 (1997) 4	1.935	102	,	AT PORTOGER STATE COLUMN	1 250,000,000 250,000,000 1,78	0 2.3 3 3,5	05	96 195 504 815	22 (50,132) (50,110)	00051896 142012013 00008385
n stock warrent liability. lease obligations, leas current porti	en 4,693	Allen Ele	acousti (file) pe				2003/1916 16			TIVE COMPANY									
d revenue, lass current portion	1,636	208221275 7 0855	106		[[7]]				9 1111 8 12 1		96. U.S. (1951)	363				150000000000000000000000000000000000000	204455		
rm debt, less current portion	396,155	em varaves	#45 TIMES 101824	massane-varians	cat division acres	- 0340 (2003) (1749) (17	30 GERREN DARGER	- PERFORMANCIANS	a Martin tour tour service	regen engennegg	- 		######################################	setingare see	a presio massi (Rin	ere die state	une n kolokees	- 11 2 5 78 2 7 7 2 5	ARADIE DAS
ong term Cabillibes (liabilities	13,883 701,160	3,390	9,058	3,673	3,119	3,162			3 1 18 2 2,86			701 23,933	M3	11. 12. 12. 12. 12. 12. 12. 12. 12. 12.			815	(60,034)	MIRAN GENERAL
ders' equity			-17.00		21112													1	
on Stock	1106																		
nal paid in capital oftal investment in subsidiares	925.907 Sin Willid Rickydddillini	arni nergji karoni	555016060196		randar dan ba	nii 149 mil 28 23	Yanda baran 1	- CEFERINIDASEA	• • 1898/1994/19 2 8	(155): 15122	15(11) (1) (2)	73 36 1 1 1 1 1 1 1 1 1 1 1 1		entrance en e	Denemberation	- 57 888888888	3016191010	(301)	
	(669,770)	105	360 360	3	18	72/102/2016 JAN 9	15	1	7	77	394	1,380	11	5		74)	12	(2,160)	(8
MIAICO GEIICIE			242	(56)	79)	30/2003 (08	(6-	nga kabulah talah t	0 1	6114	(122	(1.179		ári nektető te	1100 1000 100	t B)	(242)	267	9/18/19 PM
nulated deficit (ss.) al stockholders' equity	(193,169) 64,073	(149)	602	(24)	23	(56								(2			(229)	(2,194)	

Exhibit 8.1(d)(i)

Testa Motors, Inc.
Consolidating Statement of Operations
For the Six Months Ended June 30, 2012
(Unaudited)
(In thousands)

	De	Canada Leasi	ing Netherlan	de Italy	Namen	Denmack	Switzerland	Erance	Monaco Ge	anghy	UK Sines	pore Henr	2 Коле	Јавал	Australia IC	Elimination Cons	olidated Total
Revenues Automotive sales	\$ 12,008 S		(844 (87) (89))	358 S 7	20 \$ 2087	\$ 826		\$ 1.895 \$	400116	6,959 8	5,829 \$		404 3	2 806 1	1,281 \$	(110) \$	41,299
Development services			Supplication in								4,250			2201 <u>2</u> 42			15 521
Intercompany revenue	23,045		maenso puas	275	7) 2006[]][][]	346		123		367	276			921885916411		(24,802)	
Total revenues	46,321	ालतक् 331 तत्वव ो 1	£441.6	633 <u></u>	92 2.187	Surbstellovi. 1,172	1,957	1.019	2012:00 6 2003	7,326	11,455	Siquit Back	1,404	2.896	1,281	(24,912)	56,820
Cost of revenues Automotive sales	31,650	////// ///////////////////////////////	()368	28	18 2	1500 M 10.37	285	29		3/3/ (58 /3/5)	679	rang gundan.	ijstienteng		36	(476)	54,082
Development services	#6457256 74767 220					Market Market 1985	ndermaakir a		in productival de la companya de la	maceae							7,768
Intercompany COGS	1,336		YSTEMENTETETP	152	11 1,924	548	748	01.000 :717 :66		6,152	5,9 52	nsiemina	1,707	2,244	1,073	(24,701)	JERSENYS
Total cost of revenues	40,752	Probabl 25 de 165 1	1,368 (co.) j leer.1;	175	29 1,935	100 120 57 585	1,034	746	95 of 39 5 cm in	6,308	7,631	(dB <mark>w</mark> ollida)	1,107	2.329	## 1,158 k/P	(25.177)	41,846
Gross profit	5,568	202	276 2	458 3	62 252	587	933	273	(33)	1,018	3,824		297	567	123	265	14,972
Operating expenses Research & development	142,738			COMMERCE (A	/8773/JESESSEM			11721/17 (6 17)	iemenskomm	3) aa 35	77. T	ritenizit	Maria Palul				143,245
Selling, general and administrative	55,585	356	[]34 [[[]]]	504	70	663			(1) (1) (32)	1,128	4,199		378	1,399	376		65,865
Total operating expenses	198,423	357	34	504 3	77 343	663	883	304	23	1,161	4,669	7	379	1,399	376		205.040
										1,101	*,000	_ <u></u>		11000	- 5.0		209,910
Loss from operations	(192,854)		(242	(46)	(15)	F		(22)	(66)	(149)	(845)		(82)	(832)	(254)	265	(184,538)
Loss from operations	(192,884) (147)		262	(46) (46)	(15)	CONTRACTOR CONTRACTOR	50					5.61 0 16.6865 5624036665	(62)			265	(184,538) (149)
Loss from operations	(192,854)	(146) 0 0		(10)	F	(1)	50 0 69			(140)	(845)	52 (7) (122) (5) (8) (8) (8) (8) (8) (8) (8) (8) (8) (8	(62)	(832)	(254)	266 100 365	(184,53B)
Loss from operations Interest expense Interest income Other income (expense) net	(192,854) (147) 157 (262)	(146) 0 0		(10)		(1) (64)	50 0 60 60 119	(22) (21) (21)	(66) (48)	(144) (12) (12) (12) (13) (14) (14) (14) (14) (14)	(845) (334) (1,179)	(6)	(02)	(832)		14542471255555 14542471255555	(184,538) (149) 164 (385)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidating Statement of Operations
For the Three Months Ended June 30, 2012
(Unaudited)
(in thousands)

	US Ca	mada Le:	ising Mether	lands li	faly N	Other	Depmark	Switzerlan	franc	e Mon	aca Ger	many	UK	Singapore	Hong Kot	<u> </u>	Japan	Australia	C Elimin	nation Cons	olidated Total
Revonues Automotive sales	6,896 \$	185 \$	714 6	1,006 \$	719 \$	1,680 \$	452	1 12	58 S	503 5	:: \$:11:	3,275 \$	3,510	stanuirus Stanuirus		389 .	980	\$		ar Hesist	22,054
Development services	349				Shaile.		grade we						4,250			ateona					4,599
Intercompany revenue	11,234		ÇARANDERIN	275	231		240		Sandunian Sandunian	123	dadęaria.	261							79.76003 1	2,363)	10355556931
Total revenues	18,478	185	uta ti∳ hamiilyä	28	960	1,680	692 × 692	nikili dhari 🙎	50 est pinkletur	726	tuarrailiseus	3,538	7,760	rasolijiskarili	station stick	389 //	980	4 38	5	2,353)	25,653
Cost of revenues Automotive sales	18.824	63	576	(1) a (1)	11 78 (41)		23		7 [5][5][5]	20		75 [1]	520				6. Jan 46 (1			((99))	20,150
Developmentiservices			enderer van		excustees							ipilak 1900							e agreement	UESENIATE STE	(1935) (1 934)
Intercompany COGS	308			1,052	572	1,504			i6	505	(1) 34 () [(1)	2,718	3,879			284	77	31	Prografia	2383)	
Total cost of revenues	26,873	63 (63)	ri 576a i ∈idiri	11,061	590	1,508:01	iggining t# f	essignas 4	B gilling)juka	\$25:-	ilo 34 inglipis	2,793	4,393	gganikanan	Riscoursian	264	823	Eligi-125	1882892812(4	2,553)	21,891
Grose profit	(2,395)	122	138	220	360	172	551	80	5	201	(34)	746	3,351			105	157	3		219	4,762
Grose profit Operating expenses Research & coverapment	(2,395) 74,657	122 1	138 9100-8808920	220 EDSF#50825	360	172	551			201		746	3,351			105	157	3			4,762 74,854
Operating expenses		₹22 1 205		erstekstaal	360 8 207	172 218	24	GUGERTÍZIE								105 179		3 2200000			
Operating expenses Research & coverapment		ere e reces		eroneccasil	SHE(8 12)4170	GUARMANA		Gundania Kashbillo	eriojeore Miretorije			2	167								74.854
Operating expenses Research & coveragment Selling, general and administrative	74/657 30/816	10.0	17	850525000 (202000)	207 215	2000 (FE)	317	55 (EFST) (2 (ESS) (ESS) (2	1200 (SUES) 1100 (SUES) 11	(14 2 (25) (3		601	167 2,238			179	708	72,737 78			74,854
Operating expenses Research & Government Setting general and administrative Total operating expenses Loka from operations	74,657 30,515 105,172 (167,567)	205	900 - 20 20 - 2020 - 17	252 252 252	207 215	216 216	317	55 (50 (51 (52) 16 (50 (51 (52) 24 (51 (51) 53)	1200 (SUES) 1100 (SUES) 11	142 (142) 142	SAMPERAKE -	601 622	2,233 2,400			179 179 (75)	708 708 (661)	19			71,854) 36,063 110,937 (106,175)
Operating expenses Research & coveragement Selling, general and administrative Total operating expenses Lots from operations Interest expenses Interest income	74,657 30,516 105,172 (167,667)	205 205 (64)	900 - 20 20 - 2020 - 17	252 252 (32)	207 215	216 216	317 224	10.000 (1.000) 16.000 (1.000) 20.000 (1.000) 16.000 (1.000)		142 142 159		601 622 123	2,233 2,400			179 179 (75)	708 708 (651)	19 19			71.054 36.063 110,997 (106,175)
Operating expenses Research & Government Selling general and administrative Total operating expenses Lots from operations Interest expense Interest income Operation (expense) pet	74,657, 20,516 105,172 (107,667) 70	205 205 (64)	145 - 15 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	252 252 (32)	207 215 145	216 216 (44)	317 317 234 234 317	GOTE FOLIAGE I GRADO DO COMO DE LA COMO DE		142 142 59 10)	(24)	601 622 123	2,233 2,400 960	6 (6)		179 179 (75)	708 708 (661)	19 19 (16		210 210 210 210 210 210 210 210 210 210	74.854 38,063 110,937 (106.175) (84) 74 561

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein,

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM
Permit	ted Equity Proceeds Investments (to be included for each transact	ion):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: November 15, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of September 30, 2012, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and
- 4. Pursuant to <u>Section 8.1(d)(iv)</u> of the Arrangement Agreement, <u>Exhibit 8.1(d)(iv)</u> attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the

period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	Alwige	
Name:	DEERAY AHJJA	
Title:	C70	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Balance Sheets
As of September 30, 2012 and December 31, 2011
(In thousands)

	Sep-12	Dec-11
Assets		
Current Assets		
Cash and cash equivalents	\$ 85,693 \$	THE RESERVE OF THE PERSON NAMED IN CO.
Short-term marketable securities	22,861	25,061
Restricted cash	33 (a) (b) (b) (b) (b) (b) (b) (b) (b) (b) (b	23,476
Accounts receivable	9,164	9,539
Inventory	159,048	60,082
Prepaid expenses and other current assets	7,775	9,414
Total current assets	284,541	372,838
Operating lease vehicles, net	11,789	11,757
Property, plant and equipment, net	486,248	298,414
Restricted cash	4,688	8,068
Other assets	21,911	22,371
Total assets	\$ 809,177 \$	713,448
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	\$ 162,025 \$	56,141
Accrued liabilities	28,510	32,109
Deferred revenue	2,904	2,345
Capital lease obligations, current portion	3,188	1,067
Reservation payments	138,338	91,761
Long term debt, current portion	50,841	7,916
Total current liabilities	385,806	191,339
Common stock warrant liability:	9,734	8,838
Capital lease obligations, less current portion	6,278	2,830
Deferred revenue, less current portion	414,207	3,146
Long-term debt, less current portion	2,477	268,335
Other long-term liabilities	18,550	14,915
Total liabilities	837,052	489,403
Chalded development on the (deficit)		
Stockholders' equity (deficit) Common stock	106	104
Additional paid-in capital	947,693	893,336
Accumulated other comprehensive loss		(3)
Accumulated deficit	(975,674)	(669,392)
Total stockholders' equity (deficit)	(27,875)	<u> </u>
PART COMMAND SARTA TORINA		AND THE PARTY OF T
Total liabilities and stockholders' equity (deficit)	\$ 809,177 \$	713,448
	No. 20 April 1975	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations (In thousands)

	Three mon Septem			ths ended aber 30,
	(Unaudited)	(Unaudited)	2012 (Unaudited)	(Unaudited)
Revenue Automotive sales	\$ 50,023	\$ 43,235	\$ 91,323	\$ 115,891
Development services	81	14,431	15,601	48,976
Total revenues	50,104	57,665	106,924	164,867
Cost of revenues Automotive sales	58,865	32,752	92,947	90,241
Development services		7,690	7,767	20,866
Total cost of revenues	58,865	40,442	100,714	111,107
Gross profit (loss)	(8,761)	17,224	6,210	53,760
Operating expenses Research & development	61,901	54,083	205,146	147,776
Selling, general and administrative	37,798	27,618	104,464	76,545
Total operating expenses	99,699	81,701	309,610	224,321
Loss from operations	(108,460)	(64,477)	(303,400)	(170,561)
Interest income Interest expense Other income (expense), net	38 (78) (2,188)	80 j (694)	203 (228) (2,573)	166 (2,151)
Loss before income taxes	(110,688)	(64,991)	(305,998)	(172,546)
Provision for income taxes	116	87	284	377
Net loss	\$ (110,804)	\$ (65,078)	\$(306,282)	\$ (172,922)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc. Consolidated Statements of Cash Flows (in thousands)

	Three months : September :		Nine months e September :	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from Operating activities				
Net loss \$	(110,804) \$	(65,078)	\$ (306,282) \$	(172,922)
Adjustments to reconcile not loss to net cash				
used in operating activities:	was a description of the contract of the contr	and the second s	hall the state of	one en e
Depreciation and amortization Change in fair value of warrant liability	7,521 1,205	4,280	_ 16,033 896	12,115
Discounts and premiums on short-term marketable securities	resecutivements	340 (132)	56	2,101 (132)
Stock based compensation	12,475	7,886	35,729	20,737
Non cash charges related to fixed assets	300	(67)	1,320	162
Inventory write-downs	411	768	4,089	1,420
Changes in operating essets and liabilities			PARTER AND PROPERTY.	Marian San San San San San San San San San S
Accounts receivable	1,859	5,057	375	(11,540)
Inventories and operating lease vehicles	(85,593)	2,133	(104,032)	(10,831)
Prepaid expenses and other current assets	(829)	(1,343)	1,751	(1,185)
Other assets	(67)	40	(146)	(335)
Accounts payable and accrued liabilities	71,238	11,881	94,087	37,999
Deferred revenue	5	(492)	(109)	(1,616)
Reservation payments Other tong-term liabilities	4,891 2,436	12,029 1,208	46,577 3.635	34,460 2,291
Net cash used in operating activities	(94,952)	(21,491)	(206,020)	(87,276)
Not cash used in operating activities	(34,332)	(21,451)	(200,020)	(07,270)
Cash flows from Investing activities				
Investment in short-lerm marketable securities		(64,952)	(14,992)	(64,952)
Maturities of short-term marketable securities	-		40,000	-
Purchases of property and equipment	(68,472)	(68,844)	(197,745)	(143,634)
Withdrawals out of (transfer into) our dedicated DoE account	254	(44,054)	8,472	18,292
Increase (decrease) in restricted cash deposits	(1,870)	(320)	(4,478)	(887)
Net cash used in investing activities	(70,088)	(178,170)	(168,743)	(191,181)
Cook flows from Financian activities				
Cash flows from Financing activities Principal payments on capital leases and other debt	(763)	(96)	(1,684)	(224)
Proceeds from notes payable	33,255	90,823	188,796	153,172
Issuence costs	(473)	(13)	(473)	(318)
Proceeds from exercise of stock options and other stock issuances	8,160	2,895	18,551	7.812
Proceeds from issuance of common stock in a follow-on offering				172,728
Proceeds from issuance of common stock in private placements		Marie Establishment Springer	# 101-10-10-10-10-10-10-10-10-10-10-10-10-	59,058
Net cash provided by financing activities	40,179	93,609	205,190	392,227
Increase (decrease) in cash and cash equivalents	(124,861)	(106,052)	(169,573)	113,770
Cash and cash equivalents, beginning of period	210,554	319,380	-255,266	99,558
Cash and cash equivalents, end of period \$	85,693 \$	213,328	\$ 85,693 \$	213,328

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Stockholders' Equity (Deficit)
For the Nine Months Ended September 30, 2012
(Unaudited)
(in thousands)

-	Common Shares	Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2011	104,530,305	104	893,336	(669,395)	[3)	224,045
issuance of common stock upon exercise of slock options & ESPP Stock-based compensation	1,242,125	1	18,550 36,279			18,551 36,279
Gain/(Loss) on investment securities Capitalized public offering issuance costs						
Nel loss Balance as of September 30, 2012	105,772,431	105	947,692	(306,282)		(306,282) (27,876)

The Company believes in good faith that the unaudited financial statements herein fairty present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidating Balance Sheet As of September 30, 2012 (Unaudited) (in thousands)

mousanus)																		
	US	Canada	Leasing)	Vetherlands	ltaly	Norway	Denmark	Switzerland	France	Monaco	Germany	DK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated T
sets																		
rent Assets																		
ash and cash equivalents S	68,496	\$ 2.866	\$ 344	\$ 365	178	S 1,722	\$ 224	\$ 602	\$ 905	S	\$ 1,311	\$ 5,654	\$	1,072	\$ 1,575	\$ 480	11 3 140 1614911	\$ 8
ort-term marketable securities	-	-	-		-	-	-		-		-	-		-	-	-	-	_
stricted cash	22,861			(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)														1916 - Paris 1912 - 192
counts receivable	7,554	23	108	164	1	26	5	70			510	692	•	-	-	-	•	
ventory	155,695		Mastantani	264	284	266	246	451	128		816	361		MANAGER BERNINGS	513	25		37 January 15
epaid expenses and other current assets	5,404	152	3	5	256	111	9	138	67	51	171	1,322	-	2	44	39	-	2277,000,000,000,000,000,000
ercompany Receivables	27.528	\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$\$P\$		2.204	1,632	799	2,273	2,295	1.601	2,044	2.770	12,835	JOSEPH GEDUNDATOR MINE	entrasiokan	meummume¥l		(55,981)	GENTATE COLORS GRAPH STR
Total current assets	287,539	3,041	455	3,002	2,351	2.923	2,757	3,557	2,711	2,095	5,578	20,763	-	1,074	2,132	545	(55,981)	28
perating lease vehicles, net	PANTONIA PA	1.164	8,190)///ma/sidesan	apenesiili me	EUROPPHOEST <mark>P</mark>		1.369			845	1,414		ENGLES CONTRACTS	100722000044	merkanan ke		
operty, plant and equipment, net	484,123	104	- Carone Marie Caronina (Carone Carone)	159	115	83	41	125	44	-	146	436	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	49	734	90	hate fu fond ja ja Avaim ralm #	48
estricted cash	4.270	entrestables:			MEDICAL DISEASON	130	治治所則的自然。	213		ganingatien (ui)	DEPARTMENT AL	rade)/Edinaj	Talah Garang Kabupatèn P	TREETH TO THE TEN	77422FE5776E554	Santel Corera	67	SORUHER (MARKATER)
her assets	20,817	10	eta y 1 a para esta esta esta esta esta esta esta est	(parasala salasa managa)	48	A I Principle of the State of t	69	69			51	298	-	44	406	-	(67)	2
restment in Subsidiaries	301	STREET, STREET	(0.000 (0	DAMESTELLA	raguspierousauces	12)\$453751410)#753c		PRESIDENCE PROPERTY.	COLUMNO DE COLUMNA DE	vortaeranatari	NORRESTREET STEELS	นากเกมสหมังเหมือน	DANKOON KEDISTAN	OMININESS NAMED IN	176752172217575655447	255616916916960	####### # 301)	
Total assets S	797,050	\$ 4,319	\$ 8,645	S 3.161	\$ 2,513	\$ 3,136	\$ 2,867	5 5,333	\$ 3,180	\$ 2,095	\$ 6,621	\$ 22,919	•	1,167	\$ 3,272	5 635		
bilities and Stockholders' Equity (Deficit)		4,512	+	<u> </u>	2,010				,,,,,,	¥	,	<u> </u>		2,101				
rent Liabilities																		
	161.520	MARKET NEWSTONALIS	S 24	s (6 / 32 / 3	(22)	\$ 102	ii s iii ii ii ii (9)	\$ 126		10 5 005 005 00	\$ 29	\$ 213	S 600 (100)	2 0090000000000000000000000000000000000	S ETTIME HITC	.s .an.an.an. s	a s a a a a a a a a a a a a a a a a a a a	s 16
crued labilities	24,733	104 (104)	23	≁iiiiiiiiiiii 126	• ,;;;;;;;;; ,;;;;;;;;;; 81	182	125	204		2007202012402124	294	2,288	nacionamien naci		120 120	.9.33.33.33.33.34.43.3 30	22 - 22 - 2018	
ferred revenue	1 378	TEST PER 101 TE	557111	en e	10350 230 sansan 134	STREET STREET TO A TO A	PERCESSERVAL	10000000000000000000000000000000000000			PROFESSION NOT PARKET AND AS	349	BANGSARE DE CATACOTA SANTA	esaanihaanaan	artagunus Pala	กรอยสมสากเปรี	STREET, AS A WEST AND THE WASHINGTON	water with the Element of the contract of the
pital lease obligations, current portion	3,169	enemana iyana		ammusuami				(1.181.144 <u>6)</u>	nakaman 356)	CHREST SANCE	anti Saltana bah				angapakatara		tanonistanamit.	Hillian Kanpun Hillian
ipital lease obligations, current portion Servation payments	131.076	3,473	errerenterante					210 B 10 B	151	errenterrenterrent	208	314		577777 S 54 77	2,741	278	ekstemarkers är	
						addinikad e t					440					16.401414141 41.9		1997 HILLAND AND AND 1997
ng-term debt, current portion	50,841 159	er Nacionalist (1984) (1984)	- HESTATOR AND SANDARD STOR	erena erauaean Arana arana	2,459	- - Leterate terses etter	- CONTRACTOR SERVICES	3,424		-	monuconera made	- CONTROLINATION AND AND AND AND AND AND AND AND AND AN		errenen er	1.827	- 672 - 1	(55,982)	
ercompany Payables		792	7,178	3,100		3,118				2,015	4,791	19,910		1,191				
Total Current Liabilities	372,876	4,470	7,827	3,260	2,518	3,423	2,865	3,995		2,124	5,502	23,075	(25)	1,256	4,688	994 2002/(49802)	(55,960)	38
minon stock warrant liebility	9,734									umbyring.				HUMMARI				
pital lease obligations, less current portion	6,216			-	water to the annual control of the	1910000191715191.12500	14	er ann nachaean ann an ann an	9	-		-				39		
ferred revenue, less current portion	1,517	24	124				Hericalian in the	277	55 .	والمستقالين والمستقال	157	357			15			
ng term debt, less current portion	414,206	-		-		_		-		_			-	_		-		41
her long term liabilities	15,771	38			Opposition of the party of the		CONTRACTOR	921			582	989		1837 (2016) / (* 180	manasanene		111 m 115 7 5	giranizak dara
Total liabilities	820,32D	4,533	7,951	3,260	2,518	3,423	2,879	5,193	3,132	2,124	6,240	24,400	(25)	1,256	4,704	1,033	(55,884)	83
ckholders' equity																		
mman Stock	106									(da (salvanas)		uningski vien		daxiyandir x ii	rigidari baldet e i	riore de la composición dela composición de la composición de la composición de la composición dela composición de la composición dela composición dela composición de la composición dela composición de la composición dela composición de		
Iditional paid in capital	858,671	-	-	-	-	-	-	-		-	-	-	-	-	+	-	-	85
S papital investment in subsidiares		nastanianiani		KORREGISTRE (FISCH)	MERCENTIAL VO										andria de la compa		SEDIMENSE MODEST	MINER STATES OF A
cumulated deficit	(580,622)	105	360	3	18	9	19	157	14	77	394	1,453	11	54	(74)	12	(2,160)	(58)
itLoss	(301,225)	(319)	334 5	(131)	(36)	(319)	2 750			(128)		(2,970)	Min (5) (5)	(143)	(1.415)	(410)		(30)
Total stockholders' equity (deficit)	(23,271)	(214)	694	(99)	(5)	(287)					381	(1,481)	25	(89)	(1,432)	(398)		(2)
al liabilities and stockholders' equity (deficit)	797,050	4.319		\$ 3.161		\$ 3,138												
The state of the s			4	**************************************	* : : : : ; ·							T. C. L. Combo (A.)		* ************************************	*	- 100000000		1

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period Indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidating Statement of Operations For the Nine Months Ended September 30, 2012 (Unaudited) (In thousands)

	JS	Canada	Leasing	Netherlands	Ifally	Varway D	pamark Swi	itzerland F	rance M	enace Go	ermany	EIK Si	пдароге Ни	ng Kong	Japan	Australia K	Elimination	Consolidated	i Total
Revenues Automotive soles	5 52,061	469	\$ 2,523	\$ 1,953 .5	736 \$	3,622 \$	926 \$	2,781 \$	1,394 \$	6.5	9,211 \$	8,822 \$		2,057 \$	3,407 \$	1,462 \$	1151 (1191		91,323
Dave opment services	11 351			ngalogaisteach					1940195017K	315555 <u>2</u> 56553		4,250							15,601
Intercompany revenue	29,449		BD	1150121 275 1112	100 371 100		468		123.0		494	276					(31,535)		
Total revenues	92,361	453	2,504	2,227	11,109	3,622	1,394	2,781	1,518	19.05 6 .06 (8)	9,705	13,348 n.c.	88411 <u>8118</u> 416180	2,067	3,407	1,462	(31,646)	inikang kepada	106,924
Cost of revenues Automotive sales) 	188	2,140	234,1883,1 81 ,113				407			315	971			(S) (12	91	(84 1)		92 947
Development services	(1767)				andinesne														7.757
Intercompany COGS	2,067		08 (112)	7,4 66 77	568	3,255	77. 543	1,140	1,041	100 34 100 p	7,704	8,021		1,611	2,650	1,215	(31,404)		arasa ki
Tatal cost of revenues	99,150	2000000001491	2,220	1,550	591	3,299	585	1,548	1,095	(884 39) (64	8,019	8,992		рик ат.611 .014	2,763	1,307	(32,245)	Dispersion in	100,714
Gross profit (loss)	(6,289	277	384	678	518	323	908	1,233	422	(33)	1,687	4,355		446	544	156	599		6,210
Operating expenses	(6,289 204,465		384	678	518	323 (1) (1) (1) (1)	e08	1,233	422	(33)	1,687	4,355 611	- 700110114101515	446	544	156 (156)	599	KENEGRER	6,210 205,146
Operating expenses	204,465		384	E PRESENTATION AND SHE BEET	518 11	323 643	775.5 (19.00) 000 FT (18.00) 17.00	even in the Sales Sales Sales	422 3 (444)	en dia dia kiki tatia energia			ANATO I DOTT PINALAPIIN	tiven ini i Auf , in el executive	MCTDCTI-C-MARTERS	156	593 EGG 51341 3 6 EBG 11328161	COMPLETED SPACES SE	
Operating expenses Research & development	204,465	542			isiog a ryko				(F) (S) (S)		53	611	ANATO I DOTT PINALAPIIN				599 FEELDERFEE FEELDE FEERS		205,146
Operating expenses Research & development Selling, general and administ	204465	543	50		545	643 (C.)		1,361		(199 12 1997)		6,128	ANATO I DOTT PINALAPIIN	(CURT 1914)	2,022	2000 P.O.	599 2412 2412 599		205 146 104 464
Operating expenses Present & development Selling, peneral and administ Total operating expenses Loss from operations	204,465 pathie 286,315 292,780 (299,669	542 543) (266)	7.2 17.2 (50) 50		545 556 558	643 644	874 674	1,361 1,301	444 447	42 42 42 75)	53 5613 1,666	6 128 6,739	7 T	589 589	2,022 2,022	567			205,146 104,484 309,610 303,400)
Operating expenses Research & development Selling, general and administ Total operating expenses Loss from operations	204,465 266,315 292,780 (299,659	542 543) (266)	50 50	782 782 (104)	545 556 556	643 644 (921)	674 (65)	1,361 1,301 (68)	447	42 42 42 75)	2613 1,869	6 128 6,739	7 7	589 589 [143]	2,022 2,022 (1,378)	567 567 (411)			205,146 104,484 308,610 303,400)
Operating expenses Research & development Selling, general and administ Total operating expenses Loss from operations	204,465 266,315 292,780 (299,659	542 543) (206)	50 50 203 203	762 782 (104)	556 (38)	644 621)	674 674 (65)	1,301 1,301 (68)	447	42 42 (75)	1,868	6,128 6,739 (2,384)	7 31460 31460 31462	569 589 1145	2,022 2,022 41,378 2	567 567 (411)			205 146 104 484 309 610 303 400) (228) 203 (2 573)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc.
Consolidating Statement of Operations
For the Three Months Ended September 30, 2012
(Unaudited)
(in thousands)

		anada te	asina Kiroha	riands	Make	Vorway	Denmark Sw	itzerland Fr	апсе Мол	iaco Germa	mv U	K Singa	pore Hone	Kona	Japan A	lustralia (C.E.	imination Col	nsolidated Total
Revenues Automotive spiles	\$ 40.055.4	Programma	OSTON CONTRACTOR OF THE PARTY OF THE	and discontinuous and	Santa-Person	F 15 a (435 6 8 f)		315 3	3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		1252 S		Pharagen Shrips	653 3		182 (\$ 7)		50.02
Development services	inganan ang propinsi sa pagasan ang pa Tangga pagasan ang pagasan	enasorpinas p Birthiogoristi	isan en en en en 1986 Nestign	unasaramasi Pastiliasarias	og goden e ga Olah Biyikana	olomogratica de la composición de la c Casal de composición de la composición	and the first part to the first frame.	ana arta de la como de La como de la como de				onerendelika Deretak	en e	ulikaran mada Ulikaran	i den de la company Esta de la company	akomartkoza Necsodskoza	niera sautas i irretae Zurimi	ing sa
Intercompany revenue	6,404		d dan dan d	ne systemski		escor vice	122	enienakinis.	rajorsio etto	nalensisens	11 27 27 27 20	one and a comment of the comment of	 Serias (1780)	rowaniania. Rowanianianianianianianianianianianianiania		aciioaiia aciioasaaa	(6,734)	ersterui err
Total révenues	46,640	da 138 (14.5)	are 960 (1985)	18 :594 :18:23	to a different	1,435	222	815	3616 499 900 5 ctd			1.893	See the ne	663		ddys (182 n) 183		50,10
Cost of revenues	For an algebra Parana and parties and				Secretaria de Constitución de	5.00 LO M-117.00	Control Principles Service (Philadelphia	0.00 10 Co. d. 10	N. P. Sandaland M. C. Landau	and the same of the same			ilean de l'accessor	a deli alternati de la da d'Ale	. h. d h. d			10.40.00.00.00.00.00.00.00.00.00.00
Automotive cales	57,666	62		11.5 58 11.11d	iid i t alik	32 .01.		122	25 ()		150	292			411.2 7 .041		(364)	58,86
Development services		allance discussion																
Intercompany COGS	(1)	elf@ar ri dfijd;	B0	316	(143)	1,331	(5)	393	325		552	1,070	Karing ar an	504	406	(i) (143 [H]	(6,703)	
Total cost of revenues	58,397	(1) 62 (1)	852	374	(138)	1,363	(0)	1515	349	elleroedujse	711	1.362	ខ្មែកទេសក្ស [[d]	504	433	ele :(48 pro)	(7,087)	58,8
· · · · · · · · · · · · · · · · · · ·			108	220	155	71											334	
anas hunir (1622)	(11,857)	75	108	229	122	- 13	222	300	150		669	531	<u> </u>	149	77	33	334	(8,76*
porating expenses			108 XXXXXXXXXXXXXXXXX	22 0				300		AND IN COUNTY PAYER			Anterestrianen			aa Transinis (Europes)	bronomosyl 87h. avvvvor	
perating expenses Research & development	81,727			229 (2015) (212)				Maria de la composición dela composición de la composición de la composición dela composición dela composición de la composición dela composición de la composición de la composición dela composición de la composición dela composición de			"20	531 141	Marson (77 [0]\$[0]##\$[6]			(s), s
perating expenses Research & development Selling, peneral and administrative	81,727					KGM165722		Maria de la composición dela composición de la composición de la composición dela composición dela composición de la composición dela composición de la composición de la composición dela composición de la composición dela composición de			20 485	2141	Marson (DESCRIPTION		bronomosyl 87h. avvvvor	81, 9 0
porating expenses Research & development Selling peneral and administrative Total operating expenses	8 (727 32 (538	(1862) - (1866) Sec i 186 (1850)		278	(1.075 E)	301		418 418	124		20 485 505	141	00%=92% 020 5 0050000	201	1015 July 1016	(1941) (44 (1941) (44)		81.90 37.79 99.60
operating expenses Research & development Research & development Selling general and administrative Total operating expenses oss from operations	94,357 1105,214)	186 186	KGTKELGTOO EUR OZ OOTER 17	278 278	179 179	301	211	418 418 (148)	194 142	9	20 485 505	141 1,929 2,070	Outeralerau December	211	624 624	191		99,60 (108,46
operating expenses (Research & development) (Selling general and administrative) (Total operating expenses) (Selling general administrative)	51,727 32,630 94,357 (105,214)	186 186	77 2009 2 00000 37	278 278 278	175 179	301 301 (230)	211 211	418 418 (148)	184 142	9 12.00	20 485 505 164	1.41 1.529 2.070 (1.539)	Outeralerau December	211	624 624	191	750464551 8505076205 76051 43 23675	9,60 (109,46
Loss from operations Transst expense Interest income Other accome (expense), her	81727 94,357 91,357 1105,214)	186 186 ((11)	######################################	273 278 (63)	179 179 (23)	301 301 301 (230)	211 211 (1) (2) (3) (4) (4) (4) (4) (4) (4) (4) (4)	418 418 ((10)	142 142 143 143 143 144 144 144 144 144 144 144	156247527627 9 9 82.09327528 15435752877	20 485 505 164	1,529 2,670 (1,539)	Outeralerau December	211 211 265)	624 624 (546) (27) (573)	191 191 (147)		\$1,90

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: November 28, 2012

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of October 31, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	Manya	
Ву:	41111	
Name:	Deepak Ahuja	· _

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of October 31, 2012 (In thousands)

	50 F 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Assets	
Current Assets	
Cash and cash equivalents	\$ 186,435
Restricted cash	37,001
Accounts receivable	10,643
Inventory	223,682
Prepaid expenses and other current assets	7,432
Total current assets	465,193
Operating lease vehicles, net	11,089
Property and equipment, net	502,072
Restricted cash	4,783
Other assets	21,961
Total assets	\$ 1,005,098
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$ 161,565
Accrued liabilities	35,332
Deferred revenue	2,852
Capital lease obligations, current portion	4,188
Reservation payments	134,484
Current portion of long term debt	50,841
Total current liabilities	389,262
Common stock warrant flability	9,734
Capital lease obligations, less current portion	6,257
Long-term debt, less current portion	414,206
Deferred revenue, less current portion	2,414
Other long term liabilities	18,661
Total liabilities	840,534
Stockholders' equity	
Common stock	106
Additional paid in capital	1,170,003
Accumulated other comprehensive income (loss)	
Accumulated deficit	(1,005,544)
Total stockholders' equity	164,565
Total liabilities and stockholders' equity	1,005,098

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc Consolidated Statements of Operations For the Month and Ten Months ended October 31, 2012 (In thousands)

	(Unaudited)	(Unaudited)
Revenue	(0110201102)	(4110401104)
Automotive sales	\$ 35,797	\$ 127,120
Development services		15,601
Total revenues	35,797	142,721
cost of revenues		
Automofive sales	35,482	128,430
Development services	4	7,771
Total cost of revenues	35,486	136,201
Gross profit	310	6,520
Operating expenses		
Research & development	19,129	224,276
Selling, general and administrative	11,493	115,956
Total operating expenses	30,622	340,232
Operating loss	(30,312)	(333,712)
Interest Income	18	221
Interest expense	(663)	(890)
Other Income (expense)	1,012	(1,561)
Loss before income taxes	(29,944)	(335,942)
Tax	(74)	
Net loss	\$ (29,870)	\$ (336,152)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

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Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statement of Cash Flows For the Month and Ten Months ended October 31, 2012 (In thousands)

	Oct-12	YTD 2012
	(Unaudited)	(Unaudited)
Cash flows from Operating activities	, ,	
Net loss	\$ (29,870) \$	(336,152)
Adjustments to reconcile net loss to net cash		
used in provided by operating activities:		
Depreciation and amortization	3,188	19,220
Change in fair value of warrant liability	very control of the desired of the control of the	896
Discounts and premiums on short-term marketable securities		56
Stock based compensation		36,279
Non cash charges related to fixed assets	(259)	1,061
Inventory writedowns	108	4,197
Changes in operating assets and liabilities:	ame 1944-1971 (1971), m + 3 (1941) (1971) 11 (1948) (1971) (1971) (1971) (1971)	
Accounts receivable	(1,478)	(1,103)
Inventory and operating lease vehicles	(73,824)	(178,406)
Prepaid expenses and other current assets	343	2,095
Other assets	(50)	(197)
Accounts payable	9,320	105.242
Accrued liabilities	6.821	4,987
Other long term liabilities	111	3,746
Deferred revenue	(115)	(224)
Reservation payments	(3,854)	42,723
Net cash used in operating activities	(89,558)	(295,580)
Cash flows from Investing activities		
Purchases of property and equipment, excluding capital leases	(17,750)	(215,495)
Withdrawals from (transfers into) our dedicated Department of Energy account	(14,501)	(6,028)
Investment in short-term marketable securities		(14,992)
Maturities of short-term marketable securities		40,000
Increase (decrease) in restricted cash deposits	265	(4,213)
Net cash provided by (used in) investing activities	(31,986)	(200,727)
, , , , , , , , , , , , , , , , , , , ,		
Cash flows from Financing activities		
Proceeds from notes payable	(25)	188,771
Issuance costs		(473)
Other Issuances of common stock	230	18,781
Principal payments on capital leases and other debt	222,080	220,396
Net cash provided by financing activities	222,285	427,476
The same of the sa		
Increase (decrease) in cash and cash equivalents	100,742	(68,831)
		postinium ripade en inf
Cash and cash equivalents, beginning of period	85,693	255,266
annama, spanya manana na na manana na hiti bana manana manana manana manana na manana manana manana manana man Manana manana manan	inder all and the second secon	22.4.4.5.4.4.5.5.4.4.4.4.4.4.4.4.4.4.4.4

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of October 31, 2012	\$465,193,000	
Total current liabilities as of October 31, 2012	\$254,778,000	Covenant
Current ratio as of October 31, 2012	1.83 >	Requirement 1.40
In accordance to Annex 9.1 (c) (ii)		Covenant
Cash balance as of October 31, 2012	\$186,435,000	Requirement \$15,000,000
Total Cash Balance	\$186,435,000 >	\$7,779,697 Interest Expense Annualized \$22,779,697

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: January 25, 2013

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u>of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of November 30, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	MD.	
Ву:	Alinja	

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of November 30, 2012 (In thousands)

Assets	
Current Assets	
Cash and cash equivalents	\$ 147,129
Restricted cash	37,001
Accounts receivable	10,608
Inventory	264,348
Prepaid expenses and other current assets	8,175
Total current assets	467,261
Operating lease vehicles, net	10,329
Property and equipment, net	522,000
Restricted cash	4,788
Other assets	22,122
Total assets	\$ 1,026,500
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$ 216,945
Accrued liabilities	37.923
Deferred revenue	2,958
Capital lease obligations, current portion	5,240
Reservation payments	128,173
Current portion of long term debt	50,841
Total current liabilities	442,080
Common stock warrant liability	9.734
Capital lease obligations, less current portion	6,237
Long-term debt, less current portion	414,206
Deferred revenue, less current portion	2,330
Other long term liabilities	18,553
Total liabilities	893,140
	
Stockholders' equity	
Common stock	106
Additional paid in capital	1,173,702
Accumulated other comprehensive income (loss)	(#1
Accumulated deficit	(1,040,448)
Total stockholders' equity	133,360
• •	
Total liabilities and stockholders' equity	\$ 1,026,500
• •	

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc Consolidated Statements of Operations For the Month and Eleven Months ended November 30, 2012 (In thousands)

		5.83
	(Unaudited)	(Unaudited)
Revenue Automotive sales	68,553	195,672
Development services		15,601
Total revenues	68,553	211,274
Cost of revenues		
Automotive sales	68,490	196,920
Development services		7,771
Total cost of revenues	68.490	204,691
Gross profit	63	6,583
Operating expenses Research & development	20,469	244,744
Selling, general and administrative	13,788	129,744
Total operating expenses	34,257	374,488
Operating loss	(34,194)	(367,905)
Interest Income	13	234
Interest expense	(641)	(1,531)
Other income (expense)	(71)	(1,632)
Loss before income taxes	(34.893)	(370,834)
Tax	11	221
Net loss	(34,904)	(371,055)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month and Eleven Months ended November 30, 2012 (in thousands)

		40.000	
	(Una	udited) (9	Jnaudiled)
Cash flows from Operating activities			
Net loss	\$	(34,904) \$	(371,055)
Adjustments to reconcile net loss to net cash		•	
used in provided by operating activities:			
Depreciation and amortization		3,900	23,121
Change in fair value of warrant liability		•	896
Discounts and premiums on short-term marketable securities		and we have	56
Stock based compensation		•	36.279
Non cash charges related to fixed assets		(207)	854
Inventory writedowns		÷	4,197
Changes in operating assets and itabilities:		1000	
Accounts receivable		34	(1,069)
Inventory and operating lease vehicles		(49,788)	(228,194)
Prepaid expenses and other current assets		(743)	1,352
Other assets		(161)	(358)
Accounts payable		65,164	170,406
Accrued liabilities		2,591	7,578
Other long term liabilities		(106)	3,640
Deferred revenue		21	(203)
Reservation payments		(6,311)	36,412
Net cash used in operating activities		(20,510)	(316,088)
Cash flows from investing activities			
Purchases of property and equipment, excluding capital leases		(21,636)	(237.131)
Withdrawals from (transfers into) our dedicated Department of Energy account		:•	(6,028)
Investment in short-term marketable securities		7.	(14,992)
Maturities of short-term marketable securities		•	40,000
Increase (decrease) in restricted cash deposits		(5)	(4,218)
Net cash used in investing activities		(21,641)	(222,369)
Cash flows from Financing activities			
Proceeds from notes payable		: M •	188,771
Issuance of common stock in follow-on offering, net of issuance costs		7	221,607
Other Issuances of common stock		3,700	22,481
Principal payments on capital leases and other debt		(855)	(2,539)
Net cash provided by financing activities	**************************************	2,845	430,320
Increase (decrease) in cash and cash equivalents		(39,306)	(108,137)
Cash and cash equivalents, beginning of period		186,435	255,266
Cash and cash equivalents, end of period	\$	147.129 \$	147,129
-	100		

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of November 30, 2012	\$467,261,067		
Total current liabilities as of November 30, 20	12 \$313,907,557	Covenant Requirement	
Current ratio as of November 30, 2012	1.49	`	
In accordance to Annex 9.1 (c) (ii)		Covenant	
Cash balance as of November 30, 2012	\$147,128,772	Requirement \$15,000,000	
Total Cash Balance	\$147,128,772	\$7,767,207 > \$22,767,207	Interest Expense Annualized

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: January 31, 2013

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(d)</u> and <u>8.2(b)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of December 31, 2012 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their cash flows for the period indicated, in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments, except as noted in the following sentence. In addition to the foregoing, the attached Financial Statements do not comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	MA	iq
By:	MINO	

Name: Deepak Ahuja

Title: CFO

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of December 31, 2012 (In thousands)

	12/31/2012
Assets	
Current Assets	
Cash and cash equivalents	\$ 201,890
Restricted cash	19,094
Accounts receivable	26,842
Inventory	268,504
Prepaid expenses and other current assets	8,438
Total current assets	524,768
Operating lease vehicles, net	10,071
Property and equipment, net	552,229
Restricted cash	5,159
Other assets	21,963
Total assets	\$ 1,114,190
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$ 303,382
Accrued liabilities	39,798
Deferred revenue	1,905
Capital lease obligations, current portion	4,365
Reservation payments	138,817
Current portion of long term debt	50,841
Total current liabilities	539,108
	•
Common stock warrant liability	10,692
Capital lease obligations, less current portion	9,965
Long-term debt, less current portion	401,495
Deferred revenue, less current portion	3,060
Other long-term liabilities	25,170
Total liabilities	989,490
Stockholders' equity	
Common stock	114
Additional paid in capital	1,190,192
Accumulated other comprehensive income (loss)	
Accumulated deficit	(1,065,606)
Total stockholders' equity	124,700
-	
Total liabilities and stockholders' equity	\$ 1,114,190

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, inc Consolidated Statements of Operations For the Month and Year ended December 31, 2012 (In thousands)

		early participated	
		(Unaudited)	(Unaudited)
Revenue			
Automotive sales		\$ 190,027	385,699
Development services		11,955	27,557
Total revenues	:	201,982	413,256
Cost of revenues			
Automotive sales		174,738	371,658
Development services		3,760	11,531
Total cost of revenues	. He predict	178,498	383,189
Gross profit		23,484	30,067
Operating expenses			
Research & development		29,234	273,978
Selling, general and administrative	<u> 21. 11. 11. 11. 11. 11. 11. 11. 11. 11.</u>	20,628	150,372
Total operating expenses	1.12	49,862	424,350
Operating loss		(26,377)	(394,283)
Interest income	114	54	288
Interest expense		1,277	(254)
Other income (expense), net		(196)	(1,828)
Loss before income taxes		(25,242)	(396,077)
Tax		(84)	136
Net loss		(25,158)	(396,213)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc.
Consolidated Statement of Cash Flows
For the Month and Year ended December 31, 2012
(in thousands)

	(Una	udited)	(Unaudited)
Cash flows from Operating activities			
Net loss	\$	(25,158) \$	(396,213)
Adjustments to reconcile net loss to net cash			
used in provided by operating activities:			
Depreciation and amortization		5,704	28,825
Change in fair value of warrant liability		958	1,854
Discounts and premiums on short-term marketable securities		1 to 1991 to 1	56
Stock based compensation		14,205	50,485
Non cash charges related to fixed assets		650	1,504
Inventory writedowns		732	4,929
Changes in operating assets and liabilities:		1	The Standing of
Accounts receivable		(16,234)	(17,303)
Inventory and operating lease vehicles		(33,780)	(253,281)
Prepaid expenses and other current assets		(351)	1,121
Other assets	V	(124)	(482)
Accounts payable		115,544	277,256
Accrued liabilities		2,145	9,603
Other long term liabilities		6,616	10,255
Deferred revenue		(323)	(526)
Reservation payments		10,644	47,056
Net cash used in operating activities		81,228	(234,860)
Cash flows from Investing activities Purchases of property and equipment, excluding capital leases Withdrawals from (transfers into) our dedicated Department of Energy account Investment in short-term marketable securities Maturities of short-term marketable securities		(32,863)	(270,448) 8,620 (14,992) 40,000
Increase (decrease) in restricted cash deposits Net cash provided by (used in) investing activities		2,887	(1,330)
net cash provided by (dised in) investing activities		(15,328)	(238,150)
Cash flows from Financing activities Proceeds from notes payable		_	188,796
Repayments of notes payable		(12,710)	(12,710)
Issuance of common stock in follow-on offering, net of issuance costs		(12,710)	221,493
Other Issuances of common stock		2.292	24,887
Principal payments on capital leases and other debt		(721)	(2,832)
Net cash provided by financing activities		(11,139)	419,634
Net cash provided by infancing activities		(11,139)	419,034
Increase (decrease) in cash and cash equivalents		54,761	(53,376)
Cash and cash equivalents, beginning of period		147,129	255,266
Cash and cash equivalents, end of period	\$	201,890 \$	201,890

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

In accordance to Annex 9.1 (c) (i)

Total current assets as of December 31, 2012	\$524,767,816		
Total current liabilities as of December 31, 2012	\$400,291,620		Covenant
Current ratio as of December 31, 2012	1.31	>	Requirement 1.00
In accordance to Annex 9.1 (c) (ii)			Onverse
Cash balance as of December 31, 2012	\$201,890,000		Covenant Requirement \$15,000,000
Total Cash Balance	\$201,890,000	> <u>-</u>	\$7,912,158 Interest Expense Annualized \$22,912,158

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) ;	\$ 164 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
3.	Difference between Lines 1 and 2:	\$ 232 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(b)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: February 14, 2013

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(b)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("DOE").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of December 31, 2012, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to Section 8.1(d)(ii) of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

- 4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.
- 5. Pursuant to Section 8.1(d)(vi) of the Arrangement Agreement, Exhibit 8.1(d)(vi) attached hereto shows (A) the aggregate principal amount of Customer Loans originated by the Borrower or any of its Subsidiaries during the period included within the attached Financial Statements, including the Permitted Receivables Financing Program pursuant to which such Customer Loans will be sold, (B) the aggregate principal amount of Customer Loans sold by the Borrower and its Subsidiaries during such period and the total consideration received therefor, and identifying the Permitted Receivables Financing Program pursuant to which such sales occurred, (C) the aggregate "dealer participation", commission or other payment received by the Borrower and any of its Subsidiaries from Qualified Receivables Purchasers in connection with each such sale during such period, (D) the aggregate principal amount of all Customer Loans required or elected to be repurchased by the Borrower and any of its Subsidiaries during such period and the total consideration paid therefor, and (E) the current Customer Loan Limit and Customer Loan Balance as of the close of Business on the Business Day immediately prior to the date of this Compliance Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

	alling	
Ву:	WILL	_
Name: _		
Title:		

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Testa Motors, Inc. Consolidated Balance Sheets As of December 31, 2012 and December 31, 2011 (In thousands)

Assets	(unaudited)	
Current Assets		
Cash and cash equivalents	\$ 201,890 \$	255,266
Short-term marketable securities	19,094	25,061
Restricted cash		23,476
Accounts receivable	26,842	9,539
Inventory	268,504	50,082
Prepaid expenses and other current assets	8,438	9,414
Total current assets	524,768	372,838
Operating lease vehicles, net	10,071	11,757
Property, plant and equipment, net	552,229	298,414
Restricted cash	5,159	8,068
Other assets	21,963	22,371.
Total assets	\$ 1,114,190 \$	713,448
Liabilities and Stockholders' Equity		
Current Liabilities	tanggang menanggang panggang panggang panggang panggang panggang panggang panggang panggang panggang panggang Panggang panggang pa	
Accounts payable	\$ 303,382 \$	56,141
Accrued liabilities	39,798	32,109
Deferred revenue	1,905	2,345
Capital lease obligations, current portion	4,365	1,067
Reservation payments	138,817	91,761
Long term debt, current portion	50,841	7,916
Total current liabilities	539,108	191,339
Common stock warrant liability	10.692	8,838
Capital lease obligations, less current portion	9,965	2.830
Deferred revenue, less current portion	3,060	3,146
Long-term debt, less current portion	401,495	268,335
Other long-term liabilities	25.170	14,915
Total liabilities	989,490	489,403
Stockholders' aguitu		
Stockholders' equity		
Common stock	1101101	104
Additional paid-in capital	1,190,191	893,336
Accumulated other comprehensive loss		(3)
Accumulated deficit	(1,065,606)	(669,392)
Total stockholders: equity	124,700	224,045
Total liabilities and stockholders' equity	\$ 1,114,190 \$	713,448

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, inc Consolidated Statements of Operations (in thousands)

,	Three mor Decem			ended ber 31,
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
evenue Automotive sales	\$294_377	\$ 32,677	\$ 285,699	\$ 148,568
Development services	11,955	6,698	27,557	55,674
Total revenues	306,332	39,375	413,256	204,242
Cost of revenues Automotive sales	278,710	-25,241	371,658	115,482
Development services	3,766	6,299	11,531	27,165
Total cost of revenues	282,475	31,540	383,189	142,647
Gross profit	23,857	7, 63 5	30,067	61,595
Operating expenses Research & development	68,832	61,206	273,978	208,981
Selling, general and administrative	45,908	27,556	150,372	104,102
Total operating expenses	114,740	88,762	424,350	313,083
Loss from operations	(90,883)	(80,927)	(394,283)	(251,488)
interest income Interest expense Other income (expense), net	85 (27) 746	89 (43) (495)	288 (254) (1,828)	255 (43) (2,646)
Loss before incomo taxes	(90,079)	(81,375)	(396,077)	(253,922)
Provision for (benefit from) income taxes	(147)	112	136	
Net loss	\$ (89,932)	\$ (81,488)	\$ (398,213)	\$ (254,411)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

	Three mont Decemb	16	Year ended December 31,				
			2012	2011			
One by Harris Commence of the United	(Unaudited)	(Unaudified)	(Unaudited)	(Unaudited)			
Cash flows from Operating activities	400						
Net loss \$	(89,932)	\$ (81,488)	\$ (396,213)	\$ (254,411)			
Adjustments to reconcile net loss to net cash used in operating activities:							
Depreciation and amortization	12,793	4,604	28,825	18,919			
Change in fair value of warrant liability	956	649	1,854	2,750			
Discounts and premiums on short-term marketable securities		19	56	(112)			
Stock based compensation	14,205	8,692	50,145	29,420			
Non cash charges related to fixed assets	184	184	1,504	346			
Inventory write-downs	840	408	4,929	1,828			
Changes in operating assets and itabilities							
Accounts receivable	(17,678)	8,711	(17,303)	(2,829)			
hventories and operating lease vehicles	(146,698)	(2,806)	(252,941)	(13,638)			
Prepaid expanses and other current assets	(630)	937	1,121	(246)			
Other assets	(335)	47	(482)	(286)			
Accounts payable and accrued liabilities	192,772	6,181	286,859	44,180			
Deferred revenue	(417)	(312)	(528)	(1,928)			
Reservation payments	479	26,546	47,056	81,006			
Other long-term liabilities	6,620	350	10,255				
Net cash used in operating activities	(28,839)	(27,088)	(234,861)	(114,364)			
Cash flows from Investing activities							
nyestment in short-term marketable securities			(14,992)	(64,952)			
Maturities of short-term marketable securities		40,000	40,000	40,000			
Purchases of property and equipment	(72,703)	(54,282)	(270,448)	(197,696)			
Withdraw als cut of (transfer into) our dedicated DoE account	148	31,829	8,620	50,121			
increase (decrease) in restricted cush deposits	-3,147	(2,313)	(1,330)	(3,201)			
Net cash provided by (used in) investing activities	(69,406)	15,254	(238,150)	(175,926)			
Cash flows from Financing activities							
Principal payments on capital leases and other debt	(1.148)	(191)	(2,832)	(416)			
Proceeds from notes payable	· .	51,251	188,796	204,423			
Principal repayments on notes payable	(12,710)		(12,710)	Andrew Committee (Committee Committee Committe			
Proceeds from exercise of stock options and other stock issuances	6,334	2,712	24,865	10,525			
Proceeds from Issuance of common stock in a follow-on offering	222,080		222,080	172,728			
Proceeds from Issuance of common stock in private placements			-	59,058			
Esuance costs	(112)		(584)	(318)			
Net cash provided by financing activities	214,444	53,772	419,835	446,000			
Increase (dacrease) in cash and cash equivalents	116,197	41,938	(53,376)	155,708			
Cash and cash equivalents, beginning of period	85,893	213,326	255,268	99,556			
Cash and cash equivalents, end of period \$	201,890	\$ 255,266	\$ 201,890	\$ 255,266			

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc.
Consolidated Statement of Stockholders' Equity
For the Year Ended December 31, 2012
(Unaudited)
(in thousands)

	Commo Shares	n Stock Amount	Additional Pald In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Ballance as of December 31, 2011 securice of common stock in October 2012 secondary offering, net of issuance costs of \$584 ssuance of common stock upon exercise of elock options, net of repurchases ssuance of common stock under employee stock purchase plan Stock-based compensation	373,526	8 2 1	8.383			221,496 16,500 8,384
Comprehensive loss: Net loss : Not loss on short-lem marketable securities, net Total comprehensive loss Balance as of December 31, 2012:	.=	-	\$ 1,190,191	(396;213) \$ (1,065,606)		(396,213) 3 (396,210) \$ 124,700

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein,

Exhibit 8-1(d)(i)

Tesis Motors, Inc.
Consolidating Balance Sheet
As of December 31, 2012
(Unaudited)
(In thousands)

(in thousonds)												·								
		<u> </u>	٤	anada .	1 Cation	eriterizada.	Baly	Nerway I	Constant 5	SHEPPING F	earned 5	onaco C	ermany.	ibi Gir	gepors No	ng Kong	Japan Ai	strata (C	Systemation Com	letat patentia
EGIS																				
renni Assets																				
Zasts and costs occurs letts	2	177,071	5	11,244 \$	413	5 2,583 \$	167 \$	1,307 5	281 3	884 \$	785 \$	w 1	1,174 3	3,174 \$	5	1,081 \$	1,092 \$	618 \$. a	201,890
Promision to reprint the security of											÷					-				
spiriciani Cirely		19.094		~		4							·				₹.			19.094
осостия геогруздій		25,149		7,160	124	25	0	15	126	(1)	4	**	20	216	-	,		3		25,842
verticky		265,387		242		130	291	258	128	721	296	ø.	966	74				. %		269,504
epaid expenses and other current assets		5,513		366	2	В	265	74	99	86	80	8	274	1,599		15	-40	-33		8,438
arcompany Receivables		25.440			-	4,484	1,879	1:450	2,506	2.300	1,207	1,054	3.548	27,403	•		24	i.	(77.011)	d
Talal current assets		517,954		15011	53%	7,205	2,622	3,104	3.244	4,630	2432	8,500	6,001	32-55	-	1.000	1, 125	656	(72.511)	524,768
perating lease vehicles, not				1,102	6,779				. ·	912	81		879	1.448					(1.130)	10,071
reporty, plant and equipment, net		549,607	•	101	-,-	363	107	84	35	332	41		164	409		42	583	Bt	(1.100)	852,229
estricied posts		4,335		-	-	374	,	152		290	.,			- 3		-				5,159
ther assuis		20,667		34			49		71	200	177	-	90	441		, ii	406	_		21,952
vestment in Subsidiaries		301				Ξ.		_					~		:				630%	21,502
Total 452 Rts	3	1,092,754		14,240 1			2,779 \$	3,540 E	3.351 L	5.563 1	2.724 5	1,190 5	7,135 \$	34.772	. 1	1,181 5	2.195 \$	736 %	£72,741) \$	1,114,100
TOTAL STATE OF THE		1,442,74	<u></u> -	11.2-0 2	7.241	* 2,3-0 : 5	2.(1.5.2		3,331, 5	3,000 -	23124	4,430 2	44165 4	34.114		1,1,0,3		144 8	Echilent a	F 114-724
bilkins and Szackholders' Eguty																				
ment Linbitfes																				
countries Payable	3	301,207	3	136 \$	- 5	\$ 242 \$	4 1	36 4	55 I	468 3	193 \$. 1	128 \$	2 898	. 5	- 4		9. 1		303,382
corned labilles		35,884		1,147	20	276	44	151	133	241	63	ε	115	1.445		টো	223	44		39,798
ofarred revorse .		466		172	479					221	23		182	349		•				1,905
epital lease obligations, current porson		4,344			-				9		7			-			-	δ		4,355
leasurvation payments		129,677		3,649	46	1,572		2	153	107	8	_	40	58	-	54	2,645	396		138,817
ong-form debt, current portion		50,641						~								-:	4			50.841
der company Payables		784		8.574	5865.	4342	2703	3 830	2900	3 500	2 300	1.733	5,133	20,330	127	7.086	620	212	STOCKED .	. 125
Total Current Liabitires		523/206		13,777	8417	7,539	2331	3.721	2,296	4602	2,600	1.709	5,908	32,000	(22)	1,113	2:141	680	(1235)	535,108
Total Carrier E Estates		:			0.417	9,000	4,300	4.22	adicar.	4,004		1344	J, 100		Carr	1,14.5	2.547		Aramony.	,300,100
bornitors latical or portant fashioly		10,082		·	•		*		-		+		-	-	-	-		-		10,692
apriol lease ghigalions, less current portion		9,912			-				10		2	-2	÷	٠,				115		9,965
laferred revenue, then outlood portion		2,291		(65)	124	2:		z.	٠.	239		-	1/38	318	76	**	54			3,060
ong term debi, jeus cuttent portron		401,495			+	-			4		-			-		₩.	4			461,495
Prent long term liabilities		22,515	٠	423	15. 20		-, =		4 .	543	58		879	996	4				1.4	25,170
Total liabitities	_	370,112		14,140	8,541	7,841	2,751	5,221	3,305	5.310	2.645	5.789	4,675	33,454	ren	1.112	2,155	721	172,3105	353 AFE
ochholders' equity																				
Common Stock		114		14	1960	-45	- 4	4.	· •	×						,		41		115
iddional paid in capital		1,190,191									-		,		-					1,150,191
Si capital investment in subsidiares.		11-201-1-1		44	- 4	29	14	23	23	19	26	22	33	30	20		57	4	(334)	10)
Locumulated corics		(686,644)		105	380	2	18		19	157	34	77	394	1.453	17	ĸ.	(74)-	12	[2,150]	(#80,393)
in Loss		1297,600		-31	416	73	. 120	67	(9)		19	· ·	. 33	022	155	15.	4	9.	1,000	(296.217)
Total slockholders' equity		122.642		105	776	103	28	135	42	175	59	101	410	1,367	23	53	40	75	(1,431)	124,120
total assessment a secury		244.044						130						1400						124,449
otal Eatilities and stockholders' equity	3	1,012,754	1	10205 1	7,317	3 7,540 E	2,779 \$	3,540 \$	3,351 5	5,583 \$	2.724 \$	1,890 3	7,115 3	34,772 E	0.3	1,121 \$	2,199 \$	736 - 1	773.740; B	1,714,750
and the second of the second o																				

The Company to leves in good (a)th that the unstabled financial statements herein fairly present that financial results of the Company for the period indicated in reli-

Exhibit 0.1(d)(i)

Tesia Motors, Inc. Consolidating Statement of Operations For the Year Ended December 31, 2012 (Unaudited)

(in pionalics)		US.	anada.	Companies And	thermas	Taty la	orway	namer Sw	ice rumd	Fence N	nnaco G	atmany.	DK Se	gapure	mang Kang .	Japan 2	ustralia (C.)	Dimerkation - Cons	anders of Zerial
Revenues Autonotive sales	L.	329,849 5	1Q,447		1,209 3	e72 S	4,298 5	1,059 \$	3,496 \$	1,709 \$	6 \$	10,571 \$	11,048 \$	- 1	2,265 s	3,452 \$	1,890 \$	(110) \$	285,659
Development earvices .		11,090	£+1	*/	~	<i>\$</i> 2	ě			A .	•	1	15,680	4		₩.	⊱ .	, u.	27,557
Інфексопралу темацие		48,702	4	776	537	971	**	714		123		600	278	•	7 .	٠.	₩.	(50,408)	(0)
Total neverties		398 241	10.447	4.115	1,747	1:242	1298	1.774	3.695	1,532	- 6	11,477	257,9285		7.265	3.457	1.206	(50.218)	413.256
Cost of revenues Automotive sales		384,419	725	2,813	117	29	77	54	495	106	i.	471	1,250		*:	133	102	(1,740)	371,658
Development vervices		11,531	4.	. • •	•		-		.=				~	,	; *		à		11,531
intercompany COSS		5,215	8,627	· e15	322	519	3,273	621	1,257	1,132	(44)	6,623	18,532	•	1,473	567	1,060	(48,986)	c
familiant of invenors		383,155	9,752	3.631	419	548	A 560	576	1,751	1.241	(39)	9 008	17,282	¥ 95.0	" 1,43c	200	7,162	(51,736)	345,153
Group profit		3.075	1,096	224	1204	894	348	1,010	1,744	- 91	-45	3,382	1,491		782	2,752	734	517	30,067
Operating expenses Research & development		273,240	. 47	æ'	w	6.	4 :	÷	:•::	: 3		37	690	· 2 .	æ	•;	*	*	273,978
Selling, gaineral and administrative	٠.'	127,907	1,021	68	1,123	62 1	900	1,105	1,727	.580	46	2,291	8,611	.7.	776 .	2,728	717	4	150,972
Total operating expenses		401,147	1,022	68	4,193	697	502	1,103	1,727	311	- 48	2,321	1,305	7	77e .	2,72 4	217	19	434.250
Less from operations		(294,074)	70 -	414	117	(3)	47	169	17	2	(t)	: 54	164	(7)	18%	2.4	17	· 817	(284,283)
interect income interect experime Office income (expecies), nel Los si before income baxes	نسست	237 (249) (5,577) (5,577)	(32) 49		(25). 91	(1)	42 (0) 14 \$83	(3) 10	(20) (20)	(2) 22 22	(38) 	(20)	(382)	, 2 ,(6)	. G18	123	(1) (7)	1.030	256 (254) ?(.625) (196.677)
Provision for Income balls		156	. 38	÷	20	2	(6	.2	(7)	.a.	(36)	. 0	(187)		- 4	13	13	•	138
Net loss	*	(357,519) 3	1	410 4	13 \$	(3) \$	47 %	(f): \$	(11 \$	15 \$	2.5	33 5	[127] S	(5) 1	15 3	. 57 3	2 \$	1,630 \$	(296.215)

The Company believes in good faith that the unaud ted financial statements herein fairly present the financial results of the Company as of the date indicated herein

Exhibit 8.1(d)(i)

Testa Motors, Inc.
Consolidating Statement of Operations
For the Three Morths Ended December 31, 2012
(Inaudited)
(in thousands)

(41 212 214 2)		Cris.	Canada	ž.	eas ing	Pietherlands	Italy	Norway De	natati Swit	zariana F	rance M	alleas G	d tith day	ERE 1	Hony Kent	Jarose A	ustratur IC S	Birm earabh - Cottac	ilmated Total
Revenues Automotivo sales	4	277,782	\$ 9,0	79 S	815	\$ (743) \$	134 \$	670 S	133 S	714 \$	314 s	- 5	1,66D S	2,226	***************************************	49 \$	434 S	s 15	294,577
Development nervices		345	:		. 10.		· **.	; or	*.	.**		••,		11,613	*	÷		,	11,955
могсоправу телеплю		17,254	-		690	263	*		247	~"	-		112	2	500	· ».	,#	(16,573)	(0)
Total revenues		295,031	9.9	79	1.511	.t481).	134	676	380	754	114	-	1,771	12,635	. · · 208	45	\$9k	(18.373)	304.332
Cost of revenues Automative sales		277,103	F	36	673	,36	.7	33	12	श्री	55		157	278	:•	äτ	11.	(299)	278,710
Development sorvices		3,765	÷		•	à	¥.		• :		*	•	*	٠,		**	•		3,785
Intercompany COGS		3,148	8,5	24	738	(1,147)	(49)	18	79	115	80	(28)	819	8,511	(136)	(2,083)	(155)	(15,592)	D
Total coal of reverses		264,016	9,1	SĐ	1,411		(43)	51	90	503	148	(781	1,076	£,789	(\$38)	(2.062)	(114)	(19,991)	282,475
Grass profit		11,364	a	t&	100	630	176	828	239	512:	159	78	675	5,049	345	2,108	578	318	23,857
Operating exposises Russearch & development		66,775		;	:.		(6)	în-	•	·#1,	4)	W.	(16)	73	÷	2 ,	i.r		58, 832
Selling general and administrative		39,592	4	79	13	409	147	258	230	426	142	4	676	2,483	187	705	150	17	45,908
Total operating expenses		100,367	4	70	14	:402	.141	250	200	426	142		652	2.581	187	705	150:		114.740
Loss from operations		(97,003)	3	39	82	221	36	368	59	45	27	74	- 33	2,485	159	1,402	425	318	(90,883)
Interest incores Interest exposes Other exposes, not 1.005 before incores topos		42 (25) 461 (26,525)		0 22 50	52	0 (5) 218	(1). 35	42 (0) ·0	(1): (2):	67) 19	(0) 112) 14	20 94	(10) 23	184 2,811	- 19	136 1,540	0 (1) 1) 429	320	85 127() 748 190,0731
Benefit from income taxes		.45	- 3	38	•	12	:1.7	13	. <u>#</u>	(16)	. 3	(35)	(55)	{167}		69	15	(99)	(147)
Net loss	3	(06,503)	£ 3	22_3	82	\$ 204 \$	33 5	406 5	53 5	33 \$	10 \$	130 2	79 \$	2,648	153 2	1,471 \$	492. 3	485 3	(89.93Z)

The Company believes in good in the tipe unsuffied financial statements herein feighypresent the financial results of the Company as of the date indicated herein,

Exhibit 8,1(d)(iii)		
Tesla Motors, Inc. Financial Covenants in relation to ATVM Loan Funding Arrang	ement	
In accordance to Annex 9.1 (d) (iv)		
Total Current Assets as of December 31, 2012	\$524,767,816	
Total Current liabilities as of December 31, 2012	\$400,291,620	Minimum Ratio
Current ratio as of December 31, 2012	1.31	Requirement > 1.00
In accordance to Annex 9.1 (d) (vi)		
Actual Capital Expenditures for the year ended December 31, 2012	\$ 270,447,543	
Capital Expenditures per Business Plan (Q3 Status Report)	\$ 257,000,000	Maximum Percentage
	105%	Requirement < 120%

The other covenants which previsously applied to the current period were waived pursuant to the Limited Waiver to the Loan Arrangement and Reimbursement Agreement dated February 22, 2012.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as <u>Exhibit 8.1(d)(i)</u> :	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 618 MM
3.	Difference between Lines 1 and 2;	\$222 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Exhibit 8.1(d)(vi)

Customer Loans

(A) The aggregate principal amount of Customer Loans originated by the Borrower or any of its Subsidiaries during Q4 2012, including the Permitted Receivables Financing Program pursuant to which such Customer Loans will be sold:

Aggregate Principal Amount Originated Permitted Receivables Financing Program
(b) (4)

\$ 9.7 MM

(B) The aggregate principal amount of Customer Loans sold by the Borrower and its Subsidiaries during Q4 2012 and the total consideration received therefor, and identifying the Permitted Receivables Financing Program pursuant to which such sales occurred:

Aggregate Principal Amount Sold Total Consideration Received Permitted Receivables Financing Program

\$7.2 MM \$7.2 MM

- (C) The aggregate "dealer participation", commission or other payment received by the Borrower and any of its Subsidiaries from Qualified Receivables Purchasers in connection with each such sale during such period: \$0.00
- (D) The aggregate principal amount of all Customer Loans required or elected to be repurchased by the Borrower and any of its Subsidiaries during such period and the total consideration paid therefor: \$0.00
- (E) The current Customer Loan Limit and Customer Loan Balance as of the close of Business on the Business Day immediately prior to the date of this Compliance Certificate:

Customer Loan Limit Customer Loan Balance
\$15 MM \$1.3 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(a)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: March 29, 2013

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(a)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the period ended as of February 28, 2013 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the period indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period;

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

By:	Allenja	
Name:	DEEPAR AHOJA	
Title: _	CFO	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of February 28, 2013 (In thousands)

	2/28/2013
	(Unaudited)
Assets	
Current Assets	
Cash and cash equivalents	\$ 58,274
Restricted cash	33,595
Accounts receivable	35,528
Inventory	299,587
Prepaid expenses and other current assets	9,425
Total current assets	437,409
Operating lease vehicles, net	9,353
Property and equipment, net	562,262
Restricted cash	5,147
Other assets	22,011
Total assets	\$ 1,036,182
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$.219,640
Accrued liabilities	43,282
Deferred revenue	1,698.
Capital lease obligations, current portion	6,089
Reservation payments	161,564
Current portion of long term debt	50,841
Total current liabilities	483,114
Common stock warrant l'ability	10,692
Capital lease obligations, less current portion	9,923
Long-term debt, less current portion	401,495
Deferred revenue, less current portion	2,894
Other long term liabilities	25,600
Total liabilities	933,718
Stockholders' equity	
Common stock	ille in the second seco
Additional paid in capital	1,205,591
Accumulated other comprehensive income (loss)	1,200,001
Accumulated deficit	(1,103,242)
Total stockholders' equity	102.464
i Ardi SiAcutiAtrata admit	enterprise distance - Material 104, 404 c
Total liabilities and stockholders' equity	\$ 1,036,182

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations For the Month and Two Months ended February 28, 2013 (In thousands)

	2/28/2013	YTD 2013
Barranua	(Unaudited)	(Unaudited)
Revenue Automotive sales	-\$150,763	\$ 233,537
Development services	5,128	5,128
Total revenues	155,891	238,665
Cost of revenues		
Automotive sales	139,383	217,116
Development services	1,172	1,914
Total cost of revenues	140,555	219,030
Gross profit	15,336	19,635
Operating expenses		
Research & development	16,383	32,136
Selling, general and administrative	15,285	27,369
Total operating expenses	31,668	59,505
Operating loss	(16,332)	(39,870)
Interest income	4	(14)
Interest expense	(582)	(1,478)
Other income, net	2,590	3,733
Loss before income taxes	(14,320)	(37,629)
Tax	5	5
Net loss.	(14,325)	(37,634)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc. Consolidated Statement of Cash Flows For the Month and Two Months ended February 28, 2013 (in thousands)

(ai tiiousaiius)	2/28/2013	YTD 2013
· · ·	(Unaudited)	(Unaudited)
Cash flows from Operating activities		,
Net loss	\$ (14,325)	\$ (37,634)
Adjustments to reconcile net loss to net cash		
used in provided by operating activities:		
Depreciation and amortization	5,606	10,584
Change in fair value of warrant liability	-	
Stock based compensation		
Non cash charges related to fixed assets	_	(58)
Inventory writedowns		(61)
Changes in operating assets and liabilities:		
Accounts receivable	(10,732)	(8,686)
Inventory and operating lease vehicles	20,301	(31,360)
Prepaid expenses and other current assets	1,918	(909)
Other assets	(41)	(49)
Accounts payable	(14,591)	(69,947)
Accrued liabilities	(2,968)	3,405
Other long term liabilities	475	430
Deferred revenue	(171)	(373)
Reservation payments	8,538	22,747
Net cash used in operating activities	(5,990)	(111,911)
Cash flows from Investing activities		
Purchases of property and equipment, excluding capital leases	(14,722)	(31,133)
Withdrawals from (transfers into) our dedicated Department of Energy account	_	-
Decrease in restricted cash deposits	(14,477)	(14,488)
Net cash used in investing activities	(29,199)	(45,621)
Cash flows from Financing activities		
Repayments of notes payable		
Other Issuances of common stock	10,112	15,400
Principal payments on capital leases and other debt	(304)	(484)
Net cash provided by financing activities	9,808	14,916
Decree is such and such as wholeste	/AE 204\	(140 846)
Decrease in cash and cash equivalents	(25,381)	(142,616)
Cash and cash equivalents, beginning of period	84,655	20 1,890
Cash and cash equivalents, end of period	\$ 59,274	\$ 59,274
Participation of the second of		

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 618 MM
3.	Difference between Lines 1 and 2:	\$ 222 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(a)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: April 30, 2013

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(a)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the period ended as of March 31, 2013 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the period indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period;

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Ву:	xHlunge	
Name:	DEEPAK AHWA	
Title: _	CFO	

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Balance Sheet As of March 31, 2013 (In thousands)

	(Unaudited)
Assets	
Current Assets	and the commence of the control of t
Cash and cash equivalents	\$ 214,417
Restricted cash	16,719
Accounts receivable	46,139
Inventory	237,618
Prepaid expenses and other current assets	11,100
Total current assets	525,993
Operating lease vehicles, net	9,060
Property and equipment, net	581,997
Restricted cash	5,044
Other assets	21,684
Total assets	\$ 1,143,778
	The second secon
Liabilities and Stockholders' Equity	
Current Liabilitles	
Accounts payable	\$ 304,204
Accrued liabilities	40,711
Deferred revenue	3,701
Capital tease obligations, current portion	5,452
Customer deposits	130,714
Current portion of long term debt	50,841
Total current liabilities	535,623
Common stock warrant liability	
Capital lease obligations, less current portion	10,460
Long-term debt, less current portion	388,785
Deferred revenue, less current portion	5,323
Other long term liabilities	35,004
Total liabilities	975,195
	-
Stockholders' equity	
Common stock	115
Additional paid in capital	1,222,825
Accumulated other comprehensive income (loss)	
Accumulated deficit	(1,054,357)
Total stockholders' equity	168.583
i maria and indicate Adult British Committee and an incident	100,003
Total liabilities and stockholders' equ	ilty \$ 1.143,776
in Caron referencial pultura a la seconda de servicio de la Condition de la companya de la companya de la comp	Control of the Contro

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc Consolidated Statements of Operations For the Month and Year ended March 31, 2013 (In thousands)

(Unaudited)	(Unaudited)
321,666	\$ 555,203
1,461	6,589
323,127	561,792
244,701	461,818
1,738	3,654
246,439	485,472
76,688	96,320
22, 723	54,859
19,676	47,045
42,399	101,904
34,289	(5,584)
4	10
1,381	(118)
13,358	17,091
49,032	11,399
146	151
48,886	11,248
	321,666 1,481 323,127 244,701 1,738 248,439 76,668 22,723 19,676 42,399 34,269 4 1,381 13,368 49,032

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Testa Motors, Inc. Consolidated Statement of Cash Flows For the Month and Year ended March 31, 2013 (in thousands)

	3/31/2013	YTD 2013
•	(Unaudited)	(Unaudited)
Cash flows from Operating activities		
Net loss	\$ 48,885 \$	11,248
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	7,265	17,850
Change in fair value of warrant liability	(10,692)	(10,692)
Stock based compensation	.14,529	14,529
Non cash charges related to fixed assets	448	390
Inventory writedowns	1,795	1,733
Changes in operating assets and liabilities:		
Accounts receivable	(10,61.1)	(19,297)
Inventory and operating lease vehicles	78,823	18,358
Prepaid expenses and other current assets	(1,667)	(2,575)
Other assets	206	158
Accounts payable	66,501	25,661
Accrued liabilities	(2,479)	926
Other long term liabilities	9,404	9,834
Deferred revenue	4,432	4,059
Reservation payments	(30,850)	(8,103)
Net cash used in operating activities	175,989	64,079
Cash flows from Investing activities		
Purchases of property and equipment, excluding capital leases	(26,594)	(57,727)
Withdrawals from (transfers into) our dedicated Department of Energy account	14,535	14,535
(Increase) Decrease in restricted cash deposits	2,443	(12,044)
Net cash used in investing activities	(9,615)	(55,236)
Cash flows from Financing activities		
Repayments of notes payable	(12,710)	(12,710)
Other issuances of common stock	2,504	17,903
Principal payments on capital leases and other debt	(1,025)	(1,509)
Net cash provided by financing activities	(11,231)	3,684
Decrease in cash and cash equivalents	155,143	12,527
Cash and cash equivalents, beginning of period	59,274	201,890
Cash and cash equivalents, end of period	\$ 214,417 \$	214,417

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1,	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 396 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 618 MM
3.	Difference between Lines 1 and 2:	\$ 222 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

COMPLIANCE CERTIFICATE

(Delivered pursuant to <u>Section 8.1(b)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement)

Date of this Certificate: May 15, 2013

United States Department of Energy

Attn: Director, Advanced Technology Vehicles Manufacturing Loan Program

Re: Tesla Motors, Inc.

Ladies and Gentlemen:

This Compliance Certificate is delivered to you pursuant to <u>Sections 8.1(b)</u> and <u>8.1(d)</u> of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, the "<u>Arrangement Agreement</u>"), by and between (i) Tesla Motors, Inc. (the "<u>Borrower</u>") and (ii) the United States Department of Energy ("<u>DOE</u>").

All capitalized terms used in this Compliance Certificate shall have their respective meanings specified in the Arrangement Agreement.

On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

- 1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2013, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, in each case in conformity with GAAP applied on a basis consistent with prior years, subject to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;
- 2. Pursuant to <u>Section 8.1(d)(ii)</u> of the Arrangement Agreement, no Default or Event of Default has occurred;
- 3. Pursuant to Section 8.1(d)(iii) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(iii) are computations in reasonable detail demonstrating that the Borrower is in compliance with the covenants set forth in Annex 9.1 of the Arrangement Agreement to the extent such covenants are applicable to the period included within the attached Financial Statements; and

- 4. Pursuant to Section 8.1(d)(iv) of the Arrangement Agreement, Exhibit 8.1(d)(iv) attached hereto shows the applicable Excess Equity Proceeds Amount as of the first day of the period included within the attached Financial Statements, as of the last day of such period and the difference between such amounts, together with a summary of the Investment Amount, Cash Investment Amount, consideration and legal structure of each Permitted Equity Proceeds Investments made during such period.
- 5.... Pursuant to Section 8.1(d)(vi) of the Arrangement Agreement, Exhibit 8.1(d)(vi) attached hereto shows (A) the aggregate principal amount of Customer Loans originated by the Borrower or any of its Subsidiaries during the period included within the attached Financial Statements, including the Permitted Receivables Financing Program pursuant to which such Customer Loans will be sold, (B) the aggregate principal amount of Customer Loans sold by the Borrower and its Subsidiaries during such period and the total consideration received therefor, and identifying the Permitted Receivables Financing Program pursuant to which such sales occurred, (C) the aggregate "dealer participation", commission or other payment received by the Borrower and any of its Subsidiaries from Qualified Receivables Purchasers in connection with each such sale during such period, (D) the aggregate principal amount of all Customer Loans required or elected to be repurchased by the Borrower and any of its Subsidiaries during such period and the total consideration paid therefor, and (E) the current Customer Loan Limit and Customer Loan Balance as of the close of Business on the Business Day immediately prior to the date of this Compliance Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first written above.

TESLA MOTORS, INC.

Exhibit 8.1(d)(i)

Financial Statements

Exhibit 8.1(d)(i)

Tesia Motors, inc. Consolidated Balance Sheets As of March 31, 2013 and December 31, 2012 (In thousands)

Assets	(unaudited)	
Current Assets		
Gash and cash equivalents	\$ 214,417 S	201,890
Short-term marketable securities	#	*
Restricted cash	16,719	19,094
Accounts receivable	46,139	26,842
Inventory	237,618	268,504
Prepaid expenses and other current assets	11,100	8,438
Total current assets	525,993	524,768
Operating lease vehicles, net	9,060	10,071
Property, plant and equipment, net	581,997	552,229
Restricted cash	5,044	5,159
Other assets	21,684	21,963
Total assets	\$ 1,143,778 \$	1,114,190
Liabilities and Stockholders' Equity Current Liabilities		overdonististum – Nederlânski Mariesa
Accounts payable	S 304,204 8	303,882
Accrued liabilities	40,711	39,798
Ceferred revenue	3,701	1,906
Capital lease obligations, current portion	5,452	4,365
Reservation payments	130,714	438,817
Long term debt, current portion	50,841	50,841
Total current fabilities	535,523	539,108
Cosmicn stock warrent liability		10,692
Capital lease obligations, less current portion	10,460	9.965
Deferred revenue, less current portion	5,323	3,060
Long-term debt, less current portion	388,785	401.495
Other long-term liabilities	35,004	25,170
Total liabilities	975,195	989,490
Stockholders' equity		
Common stock	115	115
Additional paid-in capital	1,222,825	1,190,191
Accumulated other comprehensive loss		
Accumulated deficit	(1,054,357)	(1,065,606)
Total stockholders' equity	468,583	124,700
Total liabilities and stockholders equity	\$ 1,143,778 \$	1,114,190

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc Consolidated Statements of Operations (In thousands)

Three months ended March 31,

,	(Unaudited)	(Unaudited)
Levenue	and the second	
Automobile sales	\$ 656,203	\$ 19,245
Devolument services	6,588	10,922
Total revenues	561,792	30,167
lost of revenues		
Automotive sales	461,818	13,932
Covolopment services	3,654	6,025
Total cost of revenues	465,472	19,957
Gross profit	96,320	10,210
)perating expenses Research & development	54,859	68,391
100 may 1 mm	the street of the state of the	
Selling, general and administrative	47,045	30,582
Total operating expenses	101,904	98,973
Loss from operations	(6,584)	(88,763)
Interest income	10	90
Interest expense	(118)	65)
Other (ncome (expense), net	17,091	(1,076)
Income (loss) before income taxes	11,399	(89,514)
Provision for income laxes	151	59
Net Income (Loss)	\$ 11,248	\$ (89,873)

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesla Motors, Inc. Consolidated Statements of Cash Flows (in thousands)

(disassanse)	Three months ended March 31,				
1	(Unaudited)	(Unaudited)			
Cash flows from Operating activities					
Net income (loss)	\$ 11,248	\$ (89,873)			
Adjustments to reconcile net loss to net cash used in operating activities:		i i			
Depreciation and amortization	17,850	4,163			
Change in fair value of warrant liability	(10,692)	(155)			
Discounts and premiums on short-term marketable securities		41			
Stock based compensation	14,868	10,711			
Other	390	182			
Inventory write-downs	1,532	2,612			
Changes in operating assets and tabilities					
Accounts receivable	(19,297)	(4,050)			
Inventories and operating lease vehicles	18,220	(5,600)			
Prepaid expenses and other current assets	(2,575)	2,483			
Other assets	158	(14)			
Accounts payable and accrued liabilities	26,587	(6,323)			
Deferred revenue	4,059	176			
Reservation payments	(8,103)	21,557			
Cther long-term liabilities	9,834	790			
Net cash provided by (used in) operating activities	64,079	(63,300)			
Cash flows from Investing activities	- MING OF The speciment of the which with high positions	errentus mailes (1860 a de 2009 to esta en 2004)			
Investment in short-term marketable securities	÷	(14,992)			
Maturities of short-term marketable securities	¥ o- enemele a comprenent azaran meneral alaman sunta	15,000			
Purchases of property and equipment	(67,727)	(54,774)			
Withdraw als out of our dedicated DoE account	(59)	(10,998)			
Decrease (increase) in restricted cash deposits	2,560	(463)			
Net cash used in investing activities	(55,236)	(66,227)			
Cash flows from Financing activities					
Principal payments on capital leases and other debt	(1,509)	(429)			
Proceeds from long-term debt and other long-term liabilities		84,267			
Principal repayments on notes payable	(12,710)				
Other Issuances of common stock	17,903				
Proceeds from exercise of stock options and other stock issuances		8,993			
Net cash provided by financing activities	3,684	92,831			
Increase (decrease) in cash and cash equivalents	12,527	(36,696)			
Cash and cash equivalents, beginning of period	201,890	255,266			
Cash and cash equivalents, end of period	\$ 214,417	\$ 218,570			

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the periods indicated herein.

Exhibit 8.1(d)(i)

Tesia Motors, Inc.
Consolidated Statement of Stockholders' Equity
For the Three Months Ended March 31, 2013
(Unaudited)
(in thousands)

. ,	Commo Shares	n Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2012	114,214,274	§ 115	\$ 1,190,191	\$ (1,065,606)		\$ 124,700
Issuance of common stock upon exercise of stock eptions & ESPP Stock-based compensation Net income	946,766	·	17,903 14,731	11248		17,903 14,731 11,248
Balance as of March 31, 2013	115,161,049	\$ 115	\$ 1,222,825	\$ (1,054,357)	\$	\$ 168,583

The Company believes in good faith that the unaudited financial statements herein fairly present the financial results of the Company for the period indicated herein.

Exhibit 8.1(d)(i)

Tests Motors, Inc.
Consolidating Balance Sheet
As of March 31, 2013
(Unsudited)

n thousands)														The state of the s				
ssets .		Сапада	(CUSES)	<u>sir şirlə işini qi</u>	11415	Secretary.	Denmari.	Switzerlan	p <u>5139CB</u>	N.00350:	Com of 5		Supapole	Hong Keng	22020	EMPERSON V	C Similarida Co	as avanta 70
irrent hasela																		
anh and cauh equivalents	\$ 189,920	. a a.	258	\$ 1,456	s : 198	5 1,656	\$ 211	406	care e e	ili e ili. rakib	\$ 674	\$ 5,422		5 703	TS 11.016	12 State 539 TS	كم والعمور والعوال	214
heradesins mar netable seen a fire	The Control of the Co		. ز. فعید ز. یا در				i vi 🗣 i janging 🕶 (Congression and C	tion of the second	: •.a(), ••(•.	#11, 1, 47, 564.	(10. J.C. (10. L)	,	1 (# J. a.)	r Mirelland George	to by a statistical of a	
Revioted cash	16,719	North Sec	Similaria di s ket	alderenvæs	a distribution	ti akovela	Epperatus.	erdanisisi	riiktiin u	pertuggi (184)	ตัวสลาสเล้า	obeliew.	urica esta - id a	dia good Ku	ere demánden en	vikis/Nati#uo	cycocineginas	16,
ccounts receivable	42,141	1,712	157	35		28	7	34			186	1,501	بالأصابات تراجد إجاري ف	Santania (devi) (F	t to market engage	arabinaanasassas T	N. C. M. C. Barker, M. P. L.	48.
Verflory	234,910		g Darie	199	999866	391				hvitiáras la et	B40	253			57	erusasiks.	egyttaanat a egys	237
repaid expenses and other current essets	6,177	1,421		39	213	111		42		- 6	295	2,349	-	332	43	-23		11
tercompany receivables	day 1290	A right commun		36,780	3.293	6,070	394	4,69	1.58	1.027	6,039	28,554	MORE L	<u> </u>	Managapage.	garres i Pilares	STEEDING PROPERTY	reijecaz, c
Total current assets	479,744	15.332	425	41,424	2,517	8,207	4,256	5,696	1,975	1,533	7,067	36,355		1,038	1,121	583	(81.842)	525
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Total stockholders' equity	163,723	3,399	562	(34)	40	62	. 8	523		164	525	1,377	25	13301	iksh,	679	14,3063	154
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The Company believes in good faith that the undudited financial statements herein fairly present the financial results of the Company as of the date indicated herein.

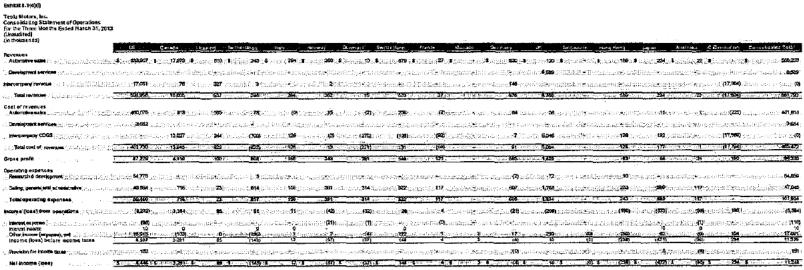


Exhibit 8.1(d)(iii)

Tesla Motors, Inc.

Financial Covenants in relation to ATVM Loan Funding Arrangement

Total Current Assets as of March 31, 2013	\$	525,993,000		
Total Current Liabilities as of March 31, 2013	\$	404,909,000		Minimum Ratio Requirement
Current Ratio as of March 31, 2013	as of March 31, 2013			
In accordance to Annex 9.1 (d) (vi)				
Actual Capital Expenditures for the year ended March 31, 2013	\$	57,727,000		
Fiscal 2013 Capital Expenditures per Business Plan	\$	210,000,000		Maximum Percentage Requirement
	-	27%	<	120%

The other covenants which previously applied to the current quarter were waived pursuant to the Fourth Amendment to the Loan Arrangement and Reimbursement Agreement dated March 1, 2013.

Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

1.	Excess Equity Proceeds Amount as of first day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i) :	\$ 618 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as Exhibit 8.1(d)(i):	\$ 618 MM
3.	Difference between Lines 1 and 2:	\$ 0 MM

Permitted Equity Proceeds Investments (to be included for each transaction):

Describe legal structure of transaction: N/A

Consideration: \$ 0 MM

Investment Amount: \$ 0 MM

Cash Investment Amount: \$ 0 MM

Exhibit 8.1(d)(vi)

Customer Loans

(A) The aggregate principal amount of Customer Loans originated by the Borrower or any of its Subsidiaries during Q1 2013, including the Permitted Receivables Financing Program pursuant to which such Customer Loans will be sold:

Aggregate Principal Amount Originated
Permitted Receivables Financing Program
(b) (4)

\$ 38.9 MM

(B) The aggregate principal amount of Customer Loans sold by the Borrower and its Subsidiaries during Q1 2013 and the total consideration received therefor, and identifying the Permitted Receivables Financing Program pursuant to which such sales occurred:

Aggregate Principal Amount Sold Total Consideration Received Permitted Receivables Financing Program

\$38.9 MM \$38.9 MM (b) (4)

- (C) The aggregate "dealer participation", commission or other payment received by the Borrower and any of its Subsidiaries from Qualified Receivables Purchasers in connection with each such sale during such period: \$0.00
- (D) The aggregate principal amount of all Customer Loans required or elected to be repurchased by the Borrower and any of its Subsidiaries during such period and the total consideration paid therefor: \$0.00
- (E) The current Customer Loan Limit and Customer Loan Balance as of the close of Business on the Business Day immediately prior to the date of this Compliance Certificate:

Customer Loan Limit Customer Loan Balance

\$15 MM \$0 MM