

**Mates, Michael**

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**From:** Deepak Ahuja (b) (6)  
**Sent:** 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)

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

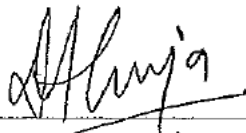
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the months ended as of January 31, 2010 and February 28, 2010, and such Financial Statements fairly present, in 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;

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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:   
Name: Deepak Anuja  
Title: CFO

*[Signature page to Borrower Certificate (Closing)]*

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Exhibit 8.1(d)(i)

Financial Statements

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)(i)

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

	January 31, 2010	February 28, 2010
	(Unaudited)	(Unaudited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 54,339	\$ 61,885
Accounts receivable	1,707	3,436
Inventory	23,965	28,624
Prepaid expenses and other current assets	5,226	4,645
<b>Total current assets</b>	<b>85,237</b>	<b>98,589</b>
Property and equipment, gross	37,872	39,075
Accumulated depreciation	(13,371)	(13,847)
Property and equipment, net	24,501	25,228
Restricted cash	4,233	7,232
Other assets	3,640	3,695
<b>Total assets</b>	<b>\$ 117,611</b>	<b>\$ 134,745</b>
<b>Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 11,939	\$ 14,598
Accrued liabilities	9,300	8,129
Deferred development compensation and deferred revenue	1,736	3,360
Capital lease obligations, current portion	284	279
Warranty reserve, current portion	1,281	1,339
Refundable reservation payments	26,723	26,885
<b>Total current liabilities</b>	<b>51,262</b>	<b>54,590</b>
Convertible preferred stock warrant liability	1,734	1,734
Capital lease obligations, less current portion	784	768
Warranty reserve, less current portion	2,311	2,311
Notes payable, less current portion	-	21,158
Deferred revenue, less current portion	1,284	1,317
Other long term liabilities	1,278	1,409
<b>Total liabilities</b>	<b>58,653</b>	<b>83,288</b>
<b>Preferred Stock</b>		
Series A, net of issuance costs	3,549	3,549
Series B, net of issuance costs	12,899	12,899
Series C, net of issuance costs	39,789	39,789
Series D, net of issuance costs	44,941	44,941
Series E, net of issuance costs	135,669	135,669
Series F, net of issuance costs	82,378	82,378
<b>Total convertible preferred stock</b>	<b>319,225</b>	<b>319,225</b>
<b>Stockholders' equity (deficit)</b>		
Common Stock	22	22
Additional paid in capital	5,241	5,260
Stock based compensation	2,093	2,093
Retained earnings (Accumulated deficit)	(260,653)	(260,653)
Net Income (loss)	(6,970)	(14,490)
<b>Total stockholders' equity (deficit)</b>	<b>(260,267)</b>	<b>(267,768)</b>
<b>Total liabilities, convertible preferred stock and stockholders' equity (deficit)</b>	<b>\$ 117,611</b>	<b>\$ 134,745</b>

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.

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)(i)**

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

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

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Exhibit 8.1(d)(I)

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

	Jan-10	Feb-10
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net Loss	\$ (6,970)	\$ (7,520)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	640	645
Change in fair value of preferred stock warrant liability	0	0
Gain on extinguishment of convertible notes and warrants	-	-
Stock based compensation	-	-
Loss on abandonment of fixed assets	-	-
Inventory writedowns	200	165
Interest on convertible notes		
Changes in operating assets and liabilities:		
Accounts receivable	1,781	(1,729)
Inventory	(944)	(4,823)
Prepaid expenses and other current assets	(1,004)	580
Other assets	204	1
Accounts payable	(3,147)	2,659
Accrued liabilities	(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)
<b>Cash flows from investing activities</b>		
Purchases of property and equipment, excluding capital leases	(653)	(3,000)
Increase (decrease) in restricted cash deposits	(1,607)	(1,371)
Net cash used in investing activities	(2,260)	(4,371)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	21,158
Proceeds from issuance of preferred stock	-	-
Proceeds from exercise of stock options	225	19
Principal payments on capital leases and other debt	(22)	(20)
Issuance costs	(1,093)	(56)
Net cash provided by financing activities	(890)	21,100
Increase (decrease) in cash and cash equivalents	(15,288)	7,546
Cash and cash equivalents, beginning of period	69,627	54,339
Cash and cash equivalents, end of period	\$ 54,339	\$ 61,885

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.



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**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	<i>Covenant Requirement</i>
Current ratio as of January 31, 2010	<u>3.47</u>	> <u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of January 31, 2010	\$54,339,000	<i>Covenant Requirement</i>
Initial Advance received under the Notes (P)	\$16,899,224	\$15,000,000
Initial Advance received under the Notes (S)	\$4,258,666	<u>\$762,826</u> <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$75,496,890</u>	> <u>\$15,762,826</u>

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**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	<i>Covenant Requirement</i>
Current ratio as of February 28, 2010	<u>3.56</u>	> <u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of February 28, 2010	\$61,884,697	<i>Covenant Requirement</i>
		\$15,000,000
		\$734,417 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$61,884,697</u>	> <u>\$15,734,417</u>

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Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of April 16, 2010.

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

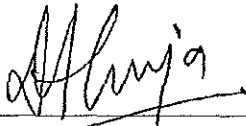
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of March 31, 2010 and such Financial Statements fairly present, in all material respects, the 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

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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:   
Name: Deepak Ahuja  
Title: CFO

*[Signature page to Borrower Certificate (Closing)]*

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Exhibit 8.1(d)(i)

Financial Statements

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Exhibit 8.1(d)(i)

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

	<b>Mar-10</b>
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 61,546
Accounts receivable, net	6,931
Inventory	28,588
Prepaid expenses and other current assets	4,538
<b>Total current assets</b>	<b>100,602</b>
Property and equipment, gross	41,555
Accumulated depreciation	(14,688)
Property and equipment, net	26,867
Restricted cash	7,487
Other assets	10,365
<b>Total assets</b>	<b>\$ 145,320</b>
<b>Liabilities, Convertible Preferred Stock and Stockholders' Equity</b>	
<b>(Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 18,190
Accrued liabilities	6,289
Deferred revenue	6,711
Capital lease obligations, current portion	293
Warranty reserve, current portion	1,632
Refundable reservation payments	25,989
<b>Total current liabilities</b>	<b>59,105</b>
Convertible preferred stock warrant liability	10,359
Capital lease obligations, less current portion	719
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
<b>Total liabilities</b>	<b>105,392</b>
<b>Preferred Stock</b>	
Series A, net 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
<b>Total convertible preferred stock</b>	<b>319,225</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	23
Additional paid in capital	10,853
Retained earnings (deficit)	(260,653)
Net Income (loss)	(29,519)
<b>Total stockholders' equity (deficit)</b>	<b>(279,296)</b>
<b>Total liabilities, convertible preferred stock and stockholders' equity (deficit)</b>	<b>\$ 145,320</b>

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(d)(i)**

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

	<b>Mar-10</b>
	(Unaudited)
<b>Revenue</b>	
Automotive sales (including zero emission vehicle credit sales)	\$ 11,271
Development services	228
<b>Total revenues</b>	<b>11,499</b>
<b>Cost of revenues</b>	
Automotive	9,624
Development services	102
<b>Total cost of revenues</b>	<b>9,726</b>
<b>Gross profit (loss)</b>	<b>1,772</b>
<b>Operating expenses</b>	
Research & development	4,752
Selling, general and administrative	8,459
<b>Total operating expenses</b>	<b>13,212</b>
<b>Operating (loss) income</b>	<b>(11,440)</b>
Other income (expense)	3,291
Interest income, net of interest expense	180
<b>Pre-tax (loss) income</b>	<b>(14,911)</b>
Tax	118
<b>Net (loss) income</b>	<b>\$ (15,029)</b>

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(4)(i)

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

	<b>Mar-10</b>
	(Unaudited)
<b>Cash flows from Operating activities</b>	
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 assets	108
Other assets	49
Accounts payable	3,592
Accrued liabilities	(1,548)
Other long term liabilities	141
Deferred development compensation	(493)
Deferred revenue	3,954
Refundable reservation payments	(896)
Net cash used in operating activities	<u>(6,008)</u>
<b>Cash flows from Investing activities</b>	
Purchases of property and equipment, excluding capital leases	(254)
Increase (decrease) in restricted cash deposits	(2,495)
Net cash used in investing activities	<u>(2,749)</u>
<b>Cash flows from Financing activities</b>	
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)
Issuance costs	(425)
Net cash provided by financing activities	<u>8,417</u>
Increase (decrease) in cash and cash equivalents	(340)
Cash and cash equivalents, beginning of period	61,885
Cash and cash equivalents, end of period	<u>\$ 61,546</u>
<b>Non cash activities</b>	
Warrants issued to DOE	<u>6,293</u>

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**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	<i>Covenant Requirement</i>
Current ratio as of March 31, 2010	<u>3.04</u>	1.40

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of March 31, 2010	\$61,545,573	<i>Covenant Requirement</i>
		\$15,000,000
		\$1,015,171 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$61,545,573</u>	<u>\$16,015,171</u>

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Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of April 30, 2010.

**Mates, Michael**

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

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**From:** Mike Taylor (b) (6)  
**Sent:** Wednesday, June 30, 2010 9:59 PM  
**To:** Mates, Michael  
**Cc:** Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer  
**Subject:** 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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

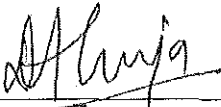
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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: 

Name: DEEPAK AHUJA

Title: CFO

*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)(i)

Financial Statements

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)(1)

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

	May 10 (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 50,813
Accounts receivable, net	6,197
Inventory	27,138
Prepaid expenses and other current assets	4,282
<b>Total current assets</b>	<b>87,429</b>
Property and equipment, gross	45,590
Accumulated depreciation	(16,350)
<b>Property and equipment, net</b>	<b>29,240</b>
Restricted cash	7,500
Other assets	14,348
<b>Total assets</b>	<b>\$ 138,546</b>
<b>Liabilities, Convertible Preferred Stock and Stockholders' Equity</b>	
<b>(Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 14,819
Accrued liabilities	7,226
Deferred revenue	6,596
Capital lease obligations, current portion	292
Warranty reserve, current portion	1,446
Refundable reservation payments	24,525
<b>Total current liabilities</b>	<b>54,904</b>
Convertible preferred stock warrant liability	10,359
Capital lease obligations, less current portion	667
Warranty reserve, less current portion	2,374
Notes payable, less current portion	41,818
Deferred revenue, less current portion	1,622
Other long term liabilities	1,775
<b>Total liabilities</b>	<b>113,520</b>
<b>Preferred Stock</b>	
Series A, net 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
<b>Total convertible preferred stock</b>	<b>310,225</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	23
Additional paid in capital	11,013
Retained earnings (deficit)	(260,653)
Net Income (loss)	(44,582)
<b>Total stockholders' equity (deficit)</b>	<b>(294,199)</b>
<b>Total liabilities, convertible preferred stock and stockholders' equity (deficit)</b>	<b>\$ 138,546</b>

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.

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)(1)

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

	May-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Revenue</b>		
Automotive sales (including zero emission vehicle credit sales)	\$ 7,201	\$ 34,381
Development services	2,428	2,656
<b>Total revenues</b>	<b>9,629</b>	<b>37,037</b>
<b>Cost of revenues</b>		
Automotive	6,160	27,822
Development services	1,110	1,212
<b>Total cost of revenues</b>	<b>7,270</b>	<b>29,034</b>
<b>Gross profit</b>	<b>2,359</b>	<b>8,003</b>
<b>Operating expenses</b>		
Research & development	4,255	21,801
Selling, general and administrative	5,892	26,840
<b>Total operating expenses</b>	<b>10,147</b>	<b>48,641</b>
<b>Operating (loss) income</b>	<b>(7,788)</b>	<b>(40,638)</b>
Interest income	13	79
Interest expense	(216)	(527)
Other income (expense)	(275)	(3,351)
<b>Pre-tax (loss) income</b>	<b>(8,266)</b>	<b>(44,437)</b>
Tax	-	145
<b>Net (loss) income</b>	<b>\$ (8,266)</b>	<b>\$ (44,582)</b>

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 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)(i)

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

	May-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (8,266)	\$ (44,582)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	783	3,780
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:		
Accounts receivable	(4,074)	(1,708)
Inventory	1,253	(4,431)
Prepaid expenses and other current assets	467	(60)
Other assets	(3,085)	(3,078)
Accounts payable	1,828	(287)
Accrued liabilities	219	(5,861)
Deferred development compensation	-	(156)
Deferred revenue	626	5,602
Refundable reservation payments	(251)	(1,523)
Other long term liabilities	171	681
Net cash used in operating activities	(10,319)	(45,360)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(1,939)	(9,484)
Increase (decrease) in restricted cash deposits	156	(3,950)
Net cash used in investing activities	(1,783)	(13,434)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	3,490	41,818
Proceeds from issuance of convertible notes and warrants	-	-
Proceeds from exercise of stock options	64	519
Principal payments on capital leases and other debt	(19)	(131)
Deferred common stock 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)
Cash and cash equivalents, beginning of period	59,856	69,627
Cash and cash equivalents, end of period	\$ 50,812	\$ 50,813
<b>Non cash activities</b>		
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.

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**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	<i>Covenant Requirement</i>
Current ratio as of May 31, 2010	<u>2.88</u>	<u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of May 31, 2010	\$50,812,789	<i>Covenant Requirement</i>
		\$15,000,000
		\$1,312,739 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$50,812,789</u>	<u>\$16,312,739</u>

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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  
**To:** Mates, Michael  
**Cc:** Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer  
**Subject:** 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



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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

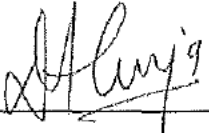
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of June 30, 2010 and such Financial Statements fairly present, in all material respects, the 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 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

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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: 

Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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Exhibit 8.1(d)(i)

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

	(in \$)
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 47,304
Accounts receivable, net	6,467
Inventory	29,518
Prepaid expenses and other current assets	6,745
<b>Total current assets</b>	<b>90,034</b>
Property and equipment, gross	50,367
Accumulated depreciation	(17,211)
<b>Property and equipment, net</b>	<b>33,156</b>
Restricted cash	5,361
Other assets	19,423
<b>Total assets</b>	<b>\$ 147,974</b>
<b>Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 25,634
Accrued liabilities	7,087
Deferred revenue	8,099
Capital lease obligations, current portion	296
Warranty reserve, current portion	1,272
Refundable reservation payments	26,246
<b>Total current liabilities</b>	<b>68,634</b>
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	45,419
Deferred revenue, less current portion	2,116
Other long term liabilities	1,932
<b>Total liabilities</b>	<b>138,624</b>
<b>Preferred Stock</b>	
Series A, net of costs	3,649
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
<b>Total convertible preferred stock</b>	<b>319,225</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	8
Additional paid in capital	18,905
Retained earnings (deficit)	(260,653)
Net Income (loss)	(68,036)
<b>Total stockholders' equity (deficit)</b>	<b>(310,036)</b>
<b>Total liabilities, convertible preferred stock and stockholders' equity (deficit)</b>	<b>\$ 147,974</b>

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(d)(i)

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

	Jun-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Revenue</b>		
Automotive sales (including zero emission vehicle credit sales)	\$ 10,175	\$ 44,556
Development services	2,005	4,661
<b>Total revenues</b>	<b>12,180</b>	<b>49,217</b>
<b>Cost of revenues</b>		
Automotive	9,302	37,124
Development services	767	1,980
<b>Total cost of revenues</b>	<b>10,069</b>	<b>39,104</b>
<b>Gross profit</b>	<b>2,111</b>	<b>10,113</b>
<b>Operating expenses</b>		
Research & development	6,880	28,681
Selling, general and administrative	11,952	38,792
<b>Total operating expenses</b>	<b>18,832</b>	<b>67,473</b>
<b>Operating (loss) income</b>	<b>(16,721)</b>	<b>(57,360)</b>
Interest income	16	96
Interest expense	(168)	(694)
Other income (expense)	(6,598)	(9,950)
<b>Pre-tax (loss) income</b>	<b>(23,471)</b>	<b>(67,908)</b>
Tax	(17)	128
<b>Net (loss) income</b>	<b>\$ (23,454)</b>	<b>\$ (68,036)</b>

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 Six Months ended June 30, 2010  
 (in thousands)

	Jun-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Cash flows from Operating activities</b>		
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 stock warrant liability	6,349	8,681
Gain on extinguishment of convertible notes and warrants		
Stock based compensation	6,115	9,502
Loss on abandonment of fixed assets		
Inventory write-downs	413	928
Interest on convertible notes		
Changes in operating assets and liabilities:		
Accounts receivable	(1,270)	(2,979)
Inventory	(2,793)	(7,224)
Prepaid expenses and other current assets	(798)	(856)
Other assets	(429)	(507)
Accounts payable	6,228	5,958
Accrued liabilities	1,388	(4,473)
Deferred development compensation	858	1,548
Deferred revenue	-	(156)
Refundable reservation payments	1,996	7,588
Other long term liabilities	1,720	198
Not cash used in operating activities	(2,832)	(45,192)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(5,187)	(17,872)
Increase (decrease) in restricted cash deposits	2,169	(1,761)
Net cash used in investing activities	(3,018)	(19,453)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	3,601	45,410
Proceeds from issuance of convertible notes and warrants	-	-
Proceeds from exercise of stock options	61	580
Principal payments on capital leases and other debt	(24)	(155)
Deferred common stock and loan facility issuance costs	(1,297)	(3,523)
Net cash provided by financing activities	2,342	42,322
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
<b>Non cash activities</b>		
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.

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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 Requirement
Current ratio as of June 30, 2010	<u>2.12</u>	1.40

In accordance to Annex 9.1 (c) (ii)

Cash balance as of June 30, 2010	\$47,304,000	Covenant Requirement
		\$15,000,000
		\$1,411,836 Interest Expense Annualized
Total Pro Forma Cash Balance	<u>\$47,304,000</u>	<u>\$16,411,836</u>



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Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of June 30, 2010

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### COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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. 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 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

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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: DEEPAK AHUJA

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

**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)(I)

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

	Jun-10 (Unaudited)	Dec-09
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 47,304	\$ 69,827
Accounts receivable, net	6,467	3,488
Inventory	29,518	23,222
Prepaid expenses and other current assets	6,745	4,222
<b>Total current assets</b>	<b>90,034</b>	<b>100,559</b>
Property and equipment, gross	50,367	36,265
Accumulated depreciation	(17,211)	(12,730)
<b>Property and equipment, net</b>	<b>33,156</b>	<b>23,535</b>
Restricted cash	5,361	3,580
Other assets	19,423	2,750
<b>Total assets</b>	<b>\$ 147,974</b>	<b>\$ 130,424</b>
<b>Liabilities, Convertible Preferred Stock and Stockholders' Deficit</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 25,834	\$ 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	28,048
<b>Total current liabilities</b>	<b>68,834</b>	<b>57,489</b>
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
<b>Total liabilities</b>	<b>138,624</b>	<b>64,722</b>
<b>Preferred Stock</b>		
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
Series E, net of costs	135,669	135,669
Series F, net of costs	82,378	82,378
<b>Total convertible preferred stock</b>	<b>319,225</b>	<b>319,225</b>
<b>Stockholders' deficit</b>		
Common stock	8	7
Additional paid in capital	18,906	7,124
Accumulated deficit	(328,689)	(260,654)
<b>Total stockholders' deficit</b>	<b>(309,775)</b>	<b>(253,523)</b>
<b>Total liabilities, convertible preferred stock and stockholders' deficit</b>	<b>\$ 147,974</b>	<b>\$ 130,424</b>

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(d)(f)

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

	Three months ended June 30,		Six months ended June 30,	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
<b>Revenue</b>				
Automotive sales (including zero emission vehicle credit sales)	\$ 23,971	\$ 26,945	\$ 44,556	\$ 47,831
Development services	4,434		4,661	
<b>Total revenues</b>	<b>28,405</b>	<b>26,945</b>	<b>49,217</b>	<b>47,831</b>
<b>Cost of revenues</b>				
Automotive	20,266	24,844	37,124	47,776
Development services	1,878		1,980	
<b>Total cost of revenues</b>	<b>22,144</b>	<b>24,844</b>	<b>39,104</b>	<b>47,776</b>
<b>Gross profit</b>	<b>6,261</b>	<b>2,101</b>	<b>10,113</b>	<b>55</b>
<b>Operating expenses</b>				
Research & development	15,416	1,941	28,681	9,882
Selling, general and administrative	22,207	8,247	38,792	14,854
<b>Total operating expenses</b>	<b>37,623</b>	<b>10,188</b>	<b>67,473</b>	<b>24,736</b>
<b>Operating loss</b>	<b>(31,362)</b>	<b>(8,087)</b>	<b>(57,360)</b>	<b>(24,681)</b>
Interest income	47	29	95	45
Interest expense	(464)	(1,086)	(694)	(2,488)
Other income (expense)	(6,729)	(1,715)	(9,950)	257
<b>Pre-tax loss</b>	<b>(38,508)</b>	<b>(10,859)</b>	<b>(67,909)</b>	<b>(26,867)</b>
Tax	9	8	127	16
<b>Net loss</b>	<b>\$ (38,517)</b>	<b>\$ (10,867)</b>	<b>\$ (68,036)</b>	<b>\$ (26,883)</b>

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.

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Exhibit B.1(d)(i)

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

	Three months ended June 30,		Six months ended June 30,	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
<b>Cash flows from Operating activities</b>				
Net loss	\$ (38,516)	\$ (10,866)	\$ (68,036)	\$ (26,883)
Adjustments to reconcile net loss to net cash used in provided by operating activities:				
Depreciation and amortization	2,483	1,685	4,824	3,057
Change in fair value of preferred stock warrant liability	6,349	25	8,682	98
Gain on extinguishment of convertible notes and warrants				(1,468)
Stock based compensation	6,115	153	9,502	243
Loss on abandonment of fixed assets				
Inventory writedowns	209	498	351	716
Interest on convertible notes		1,244		2,686
Changes in operating assets and liabilities:				
Accounts receivable	(635)	(4,015)	(2,978)	(1,228)
Inventory	(1,139)	(3,820)	(6,647)	(8,763)
Prepaid expenses and other current assets	(540)	(1,895)	(858)	(2,124)
Other assets	(758)	(382)	(506)	(372)
Accounts payable	2,852	815	5,958	2,279
Accrued liabilities	2,138	265	(4,474)	489
Other long term liabilities	1,146	729	1,648	1,367
Deferred development compensation	-	(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)	(26,329)
<b>Cash flows from Investing activities</b>				
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)
<b>Cash flows from Financing activities</b>				
Proceeds from notes payable	15,489		45,419	
Proceeds from the issuance of preferred stock	-	49,444	-	49,444
Proceeds from issuance of convertible notes and warrants		5,846		25,468
Proceeds from exercise of stock options	221	33	680	65
Principal payments on capital leases and other debt	(78)	(94)	(155)	(215)
Deferred common stock and loan facility issuance costs	(1,949)	-	(3,523)	-
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	61,646	11,746	69,627	9,277
Cash and cash equivalents, end of period	\$ 47,304	\$ 50,700	\$ 47,304	\$ 50,700
<b>Non cash activities</b>				
Warrants issued to DOE	\$ 6,293		\$ 6,293	

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.



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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 Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
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 upon exercise of stock options			331,526	1	357		358
Stock-based compensation					3,387		3,387
Net loss						(29,519)	(29,519)
Balance as of March 31, 2010	208,917,237	319,225	7,615,726	8	10,868	(290,173)	(279,297)
Issuance of common stock upon exercise of stock options			86,400	-	223		223
Stock-based compensation					6,115		6,115
Issuance of common stock warrant					1,700		1,700
Net loss						(38,516)	(38,516)
Balance as of June 30, 2010	208,917,237	\$ 319,225	7,702,126	\$ 8	\$ 18,906	\$ (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.

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Exhibit 8.1(d)(1)  
 Tesla Motors, Inc.  
 Consolidating Balance Sheet  
 As of June 30, 2010  
 (Unaudited)  
 (In thousands)

	UK	Iceland	Germany	France	Australia	Denmark	Switzerland	USA	Italy	Japan	Hong Kong	China	IC Elimination	Consolidated Total
<b>ASSETS</b>														
Current assets:														
Cash and cash equivalents	\$ 5,014	\$	\$ 2,102	\$	\$	\$	\$ 10	\$ 484	\$ 28,200	\$ 10	\$	\$ 90	\$	\$ 41,924
Accounts receivable, net	1,058		152					11	11,307					13,528
Inventory	1,382		43					27,470						29,325
Prepaid and other current assets	2,168		24					13	4,112					6,427
Total current assets	11,630		2,661					488	74,117					90,824
Property and equipment, net	650		985					2,081	16,444					20,160
Intangible assets	689		344					15	18,911					20,259
Other assets	2		55					16,741	86					17,029
Total assets	\$ 12,477	\$	\$ 3,181	\$	\$	\$	\$ 37	\$ 5,229	\$ 100,297	\$	\$	\$ 29	\$	\$ 117,974
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>														
Current liabilities:														
Accounts payable	\$ 13,801	\$	\$ 2,240	\$	\$	\$	\$ 22	\$ 2,772	\$ 1,030	\$ 104	\$ 128	\$	\$	\$ 20,254
Accrued payroll	288		9					12	17					326
Accrued expenses	414		351					33	7,143					8,051
Deferred revenue	209							19	7,864					8,292
Total current liabilities	14,712		3,000					583	15,133					18,325
Convertible preferred stock								3,007						6,014
Convertible preferred stock warrant liability								15,709						16,700
Notes payable								49,419						49,419
Other liabilities								738						738
Total liabilities	\$ 14,712	\$	\$ 3,000	\$	\$	\$	\$ 3,007	\$ 15,133	\$ 15,133	\$ 104	\$ 128	\$	\$	\$ 33,224
Preferred stock series A, net of costs								3,548						3,548
Preferred stock series B, net of costs								15,889						15,889
Preferred stock series C, net of costs								29,749						29,749
Preferred stock series D, net of costs								10,166						10,166
Preferred stock series E, net of costs								32,378						32,378
Total convertible preferred stock								85,724						85,724
Stockholders' equity (deficit):								313,225						313,225
Common stock	39		33					6						78
Additional paid-in capital	15		22					14						53
Retained earnings	758		421					1,820						2,000
Total stockholders' equity (deficit)	\$ 812	\$	\$ 476	\$	\$	\$	\$ 1,826	\$ 1,826	\$	\$	\$	\$	\$	\$ 3,077
Total liabilities and stockholders' equity (deficit)	\$ 12,477	\$	\$ 3,181	\$	\$	\$	\$ 3,177	\$ 100,297	\$ 100,297	\$ 104	\$ 128	\$	\$	\$ 117,974

The Company believes in good faith

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Exhibit 8.1(d)(i)

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

	US	UK	Germany	Monaco	Taiwan	Australia	Denmark	Switzerland	Leasing	Italy	Japan	Hong Kong	Canada	ICE Elimination	Consolidated Total
<b>INCOME STATEMENT</b>															
<b>Revenues</b>															
Automotive sales (including zero-emission vehicle credit sales)	\$ 17,195	\$ 18,424	\$ 4,896	\$ 980	\$ -	\$ -	\$ -	\$ -	\$ 81	\$ -	\$ 829	\$ 180	\$ 2,191	\$ -	\$ 44,856
Development Services	2,481	2,180	-	-	-	-	-	-	-	-	-	-	-	-	4,661
Intercompany revenue	28,228	1,594	-	-	16	-	-	-	-	-	-	-	-	(29,839)	-
<b>Total revenues</b>	<b>47,905</b>	<b>22,198</b>	<b>4,896</b>	<b>980</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>829</b>	<b>180</b>	<b>2,191</b>	<b>(29,839)</b>	<b>49,217</b>
<b>Cost of revenues</b>															
Automotive sales	36,788	232	76	11	(85)	-	-	-	73	-	67	-	-	(28)	37,124
COGS - Development Services	1,980	-	-	-	-	-	-	-	-	-	-	-	-	-	1,980
Intercompany COGS	2,515	16,213	3,790	833	-	-	-	-	-	-	844	128	1,732	(27,785)	-
<b>Total cost of revenues</b>	<b>41,283</b>	<b>18,445</b>	<b>3,866</b>	<b>544</b>	<b>(85)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>901</b>	<b>128</b>	<b>1,732</b>	<b>(27,785)</b>	<b>39,104</b>
<b>Gross profit (loss)</b>	<b>6,622</b>	<b>3,753</b>	<b>730</b>	<b>446</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>28</b>	<b>22</b>	<b>459</b>	<b>(2,055)</b>	<b>10,113</b>
<b>Operating expenses</b>															
Research and development	28,141	2,128	-	-	-	-	-	-	-	-	-	-	-	(1,885)	28,991
Selling, general and administrative	33,684	2,483	865	731	183	8	62	156	41	62	155	6	52	(116)	36,792
<b>Total operating expenses</b>	<b>62,125</b>	<b>4,609</b>	<b>865</b>	<b>731</b>	<b>183</b>	<b>8</b>	<b>62</b>	<b>156</b>	<b>41</b>	<b>62</b>	<b>155</b>	<b>6</b>	<b>52</b>	<b>(1,602)</b>	<b>67,473</b>
<b>Operating Income (Loss)</b>	<b>(55,503)</b>	<b>(856)</b>	<b>(135)</b>	<b>(285)</b>	<b>(82)</b>	<b>(8)</b>	<b>(82)</b>	<b>(156)</b>	<b>(33)</b>	<b>(82)</b>	<b>(127)</b>	<b>16</b>	<b>107</b>	<b>(454)</b>	<b>(57,360)</b>
<b>Other (income) expense</b>															
Interest Income	94	-	-	-	-	-	-	-	-	-	-	-	-	-	94
Interest Expense	(694)	-	-	-	-	-	-	-	-	-	-	-	-	-	(694)
Other income and expense	(6,889)	208	(146)	(42)	3	-	(15)	(14)	-	(9)	38	-	(12)	-	(8,950)
<b>Pre-Tax Income (loss)</b>	<b>(65,992)</b>	<b>(719)</b>	<b>(281)</b>	<b>(327)</b>	<b>(79)</b>	<b>(8)</b>	<b>(97)</b>	<b>(170)</b>	<b>(33)</b>	<b>(71)</b>	<b>(89)</b>	<b>16</b>	<b>395</b>	<b>(484)</b>	<b>(67,909)</b>
Corporate income tax	128	-	-	(10)	-	-	-	-	-	-	-	-	-	-	118
<b>Net Income (loss)</b>	<b>\$ (65,126)</b>	<b>\$ (719)</b>	<b>\$ (281)</b>	<b>\$ (327)</b>	<b>\$ (79)</b>	<b>\$ (8)</b>	<b>\$ (97)</b>	<b>\$ (178)</b>	<b>\$ (33)</b>	<b>\$ (71)</b>	<b>\$ (89)</b>	<b>\$ 16</b>	<b>\$ 395</b>	<b>\$ (454)</b>	<b>\$ (68,036)</b>

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	France	Taiwan	Australia	Denmark	Switzerland	Leasing	Italy	Japan	Hong Kong	Canada	IC Elimination	Consolidated Total
<b>INCOME STATEMENT</b>															
<b>Revenues</b>															
Automotive sales (including zero-emission vehicle credit sales)	\$ 8,205	\$ 9,493	\$ 2,386	\$ 558	\$ -	\$ -	\$ -	\$ -	\$ 78	\$ -	\$ 929	\$ 150	\$ 2,191	\$ -	\$ 23,979
Development Services	2,254	2,180	-	-	-	-	-	-	-	-	-	-	-	-	4,434
Intracompany revenue	16,247	-	-	-	-	-	-	-	-	-	-	-	-	(16,247)	-
<b>Total revenues</b>	<b>26,706</b>	<b>11,673</b>	<b>2,386</b>	<b>558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>929</b>	<b>150</b>	<b>2,191</b>	<b>(16,247)</b>	<b>26,405</b>
<b>Cost of revenues</b>															
Automotive sales	20,027	11,051	2,828	306	-	-	-	-	71	-	571	128	1,732	(28)	26,266
COGS - Development services	1,878	1,878	-	-	-	-	-	-	-	-	-	-	-	-	3,756
Intracompany COGS	9,960	10,879	(2,064)	478	-	-	-	-	71	-	344	128	1,732	(17,575)	-
<b>Total cost of revenues</b>	<b>29,865</b>	<b>10,797</b>	<b>2,062</b>	<b>481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>901</b>	<b>128</b>	<b>1,732</b>	<b>(17,903)</b>	<b>22,144</b>
<b>Gross profit (loss)</b>	<b>4,621</b>	<b>886</b>	<b>304</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>28</b>	<b>22</b>	<b>459</b>	<b>(344)</b>	<b>6,261</b>
<b>Operating expenses</b>															
Research and development	14,740	676	-	-	-	-	-	-	-	-	-	-	-	-	15,416
Selling, general and administrative	9,285	1,533	480	373	12	8	82	135	24	62	155	6	52	-	22,207
<b>Total operating expenses</b>	<b>24,025</b>	<b>2,209</b>	<b>480</b>	<b>373</b>	<b>12</b>	<b>8</b>	<b>82</b>	<b>135</b>	<b>24</b>	<b>62</b>	<b>155</b>	<b>6</b>	<b>52</b>	<b>-</b>	<b>37,623</b>
<b>Operating (income) (Loss)</b>	<b>(29,204)</b>	<b>(1,323)</b>	<b>(176)</b>	<b>(296)</b>	<b>(12)</b>	<b>(8)</b>	<b>(82)</b>	<b>(135)</b>	<b>(16)</b>	<b>(62)</b>	<b>(127)</b>	<b>(16)</b>	<b>407</b>	<b>(344)</b>	<b>(31,382)</b>
<b>Other (income) expense</b>															
Interest income	47	-	-	-	-	-	-	-	-	-	-	-	-	-	47
Interest Expense	(464)	-	-	-	-	-	-	-	-	-	-	-	-	-	(464)
Other income and expense	(7,006)	(325)	(50)	(10)	-	-	(15)	(16)	(9)	(9)	35	-	(12)	-	(6,729)
<b>Pre-Tax income (loss)</b>	<b>(36,627)</b>	<b>(998)</b>	<b>(226)</b>	<b>(286)</b>	<b>(12)</b>	<b>(8)</b>	<b>(97)</b>	<b>(145)</b>	<b>(16)</b>	<b>(71)</b>	<b>(89)</b>	<b>16</b>	<b>395</b>	<b>(344)</b>	<b>(38,508)</b>
Corporate income tax	10	-	-	(1)	-	-	-	-	-	-	-	-	-	-	9
<b>Net income (loss)</b>	<b>\$ (36,637)</b>	<b>\$ (998)</b>	<b>\$ (226)</b>	<b>\$ (286)</b>	<b>\$ (11)</b>	<b>\$ (8)</b>	<b>\$ (97)</b>	<b>\$ (145)</b>	<b>\$ (16)</b>	<b>\$ (71)</b>	<b>\$ (89)</b>	<b>\$ 16</b>	<b>\$ 395</b>	<b>\$ (344)</b>	<b>\$ (38,517)</b>

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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	<i>Covenant Requirement</i>
Current ratio as of June 30, 2010	<u>2.12</u>	> <u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of June 30, 2010	\$47,304,000	<i>Covenant Requirement</i>
		\$15,000,000
Total Pro Forma Cash Balance	<u>\$47,304,000</u>	> <u>\$16,411,836</u> <i>Interest Expense Annualized</i>

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Exhibit 8.1(d)(iv)

Excess Equity Proceeds Amount

Not applicable as of June 30, 2010.

**Mates, Michael**

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**From:** Mike Taylor (b) (6)  
**Sent:** Monday, August 30, 2010 10:41 PM  
**To:** Mates, Michael  
**Cc:** Deepak Ahuja; Rex Liu; Zachary Kirkhorn; Tom vonReichbauer; Diarmuid O'Connell  
**Subject:** Tesla Motors Financial Statements for the Month Ended July 31, 2010  
**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

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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




*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)).*

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: 

Name: Deepak Ahuja

Title: CFO

*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)(i)

Financial Statements

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 B.1(d)(1)

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

	Sep-10 (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 96,563
Accounts receivable	8,062
Inventory	39,508
Prepaid expenses and other current assets	10,537
<b>Total current assets</b>	<b>154,670</b>
Property and equipment, net	42,896
Restricted cash	145,622
Other assets	20,100
<b>Total assets</b>	<b>\$ 363,288</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 26,990
Accrued liabilities	10,368
Deferred revenue	3,477
Capital lease obligations, current portion	291
Reservation payments	27,869
<b>Total current liabilities</b>	<b>68,995</b>
Common stock warrant liability	8,675
Capital lease obligations, less current portion	566
Long-term debt	56,557
Deferred revenue, less current portion	2,514
Other long-term liabilities	6,058
<b>Total liabilities</b>	<b>141,365</b>
<b>Stockholders' equity</b>	
Common stock	93
Additional paid in capital	583,454
Accumulated deficit	(260,654)
Net Income (loss)	(100,970)
<b>Total stockholders' equity</b>	<b>221,923</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 363,288</b>

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.

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)(f)**

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

	Sep-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Revenue</b>		
Automotive sales (including zero emission vehicle credit sales)	\$ 13,908	\$ 67,906
Development services	1,056	12,552
<b>Total revenues</b>	<b>14,964</b>	<b>80,458</b>
<b>Cost of revenues</b>		
Automotive	12,035	56,581
Development services	1,055	4,467
<b>Total cost of revenues</b>	<b>13,090</b>	<b>61,048</b>
<b>Gross profit</b>	<b>1,874</b>	<b>19,410</b>
<b>Operating expenses</b>		
Research & development	12,125	53,379
Selling, general and administrative	9,056	59,224
<b>Total operating expenses</b>	<b>21,181</b>	<b>112,603</b>
<b>Operating loss</b>	<b>(19,307)</b>	<b>(93,193)</b>
Interest income	27	195
Interest expense	(55)	(992)
Other income (expense)	1,125	(6,770)
<b>Pro-tax loss</b>	<b>(18,210)</b>	<b>(100,760)</b>
Tax	83	210
<b>Net loss</b>	<b>\$ (18,293)</b>	<b>\$ (100,970)</b>

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 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. § 652(b)).

Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Cash Flows  
 For the Month and Eight Months ended September 30, 2010  
 (In thousands)

	Sep-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (10,293)	\$ (100,970)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,121	7,733
Change in fair value of preferred stock warrant liability	(630)	5,610
Stock based compensation	3,811	13,313
Inventory writedowns	301	652
Changes in operating assets and liabilities:		
Accounts receivable	(3,893)	(4,575)
Inventory	(506)	(16,937)
Prepaid expenses and other current assets	458	(1,776)
Other assets	(201)	(618)
Accounts payable	5,147	7,993
Accrued liabilities	995	(2,465)
Other long term liabilities	828	(2,599)
Deferred development compensation	-	(156)
Deferred revenue	1,019	3,374
Refundable reservation payments	(734)	1,822
<b>Net cash used in operating activities</b>	<b>(10,627)</b>	<b>(87,601)</b>
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(58,197)	(87,697)
Increase (decrease) in restricted cash deposits	5,828	(89,982)
<b>Net cash used in Investing activities</b>	<b>(52,368)</b>	<b>(177,679)</b>
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	5,338	58,657
Proceeds from issuance of convertible notes and warrants	-	-
Proceeds from exercise of stock options	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)
<b>Net cash provided by financing activities</b>	<b>5,705</b>	<b>292,216</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(57,290)</b>	<b>26,936</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>153,853</b>	<b>69,627</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 96,563</b>	<b>\$ 96,563</b>
<b>Non cash activities</b>		
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.

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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	<i>Covenant Requirement</i>
Current ratio as of September 30, 2010	<u>3.76</u>	1.40

In accordance to Annex 9.1 (c) (ii)

Cash balance as of September 30, 2010	\$96,563,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$1,642,327 <i>Interest Expense Annualized</i>
Total cash balance	<u>\$96,563,000</u>	<u>\$16,642,327</u>

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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> : | \$ 134 MM |
| 2. | Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as <u>Exhibit 8.1(d)(i)</u> :  | \$ 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 Ahuja**  
 (b) (6)

---

**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 | (b) (6)  
 3500 Deer Creek Rd., Palo Alto, CA 94304 | 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 case you wanted to make any changes.

Thanks,  
Zach

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

**Mates, Michael**

---

**From:** Zachary Kirkhorn | (b) (6)  
**Sent:** Monday, November 29, 2010 6:30 PM  
**To:** Mates, Michael  
**Cc:** Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer  
**Subject:** 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)

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

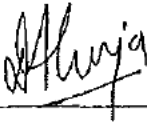
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of November 30, 2010 and such Financial Statements fairly present, in all material respects, 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

*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)).*

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: 

Name: Deepak Ahuja

Title: CFO

*[Signature page to Borrower Certificate (Closing)]*

*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)(i)

Financial Statements

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 B.1(d)(i)

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

	Nov-10
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 104,558
Restricted cash	82,364
Accounts receivable, net	6,543
Inventory	42,633
Prepaid expenses and other current assets	16,591
<b>Total current assets</b>	<b>251,689</b>
Property and equipment, net	111,090
Restricted cash	4,891
Other assets	15,133
<b>Total assets</b>	<b>\$ 382,743</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 24,634
Accrued liabilities	16,293
Deferred revenue	5,690
Capital lease obligations, current portion	268
Refundable reservation payments	31,366
<b>Total current liabilities</b>	<b>78,351</b>
Common stock warrant liability	6,675
Capital lease obligations, less current portion	534
Long term debt	63,060
Deferred revenue, less current portion	2,739
Other long term liabilities	6,454
<b>Total liabilities</b>	<b>157,813</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	95
Additional paid in capital	613,582
Accumulated deficit	(388,747)
<b>Total stockholders' equity (deficit)</b>	<b>224,930</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 382,743</b>

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.



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)(I)

Tesla Motors, Inc  
 Consolidated Statements of Operations  
 For the Month and Eleven Months ended November 30, 2010  
 (In thousands)

	Nov-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 9,216	\$ 84,935
Development services	(57)	16,248
<b>Total revenues</b>	<b>9,159</b>	<b>101,183</b>
<b>Cost of revenues</b>		
Automotive	7,442	70,293
Development services	103	5,468
<b>Total cost of revenues</b>	<b>7,545</b>	<b>75,761</b>
<b>Gross profit</b>	<b>1,614</b>	<b>25,422</b>
<b>Operating expenses</b>		
Research & development	10,283	74,189
Selling, general and administrative	6,583	71,370
<b>Total operating expenses</b>	<b>16,866</b>	<b>145,559</b>
<b>Operating loss</b>	<b>(15,036)</b>	<b>(120,027)</b>
Interest income	22	243
Interest expense	(146)	(1,279)
Other income (expense)	(250)	(6,820)
<b>Pre-tax loss</b>	<b>(16,412)</b>	<b>(127,883)</b>
Tax		211
<b>Net loss</b>	<b>\$ (15,412)</b>	<b>\$ (128,094)</b>

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 Eleven Months ended November 30, 2010  
(In thousands)

	Nov-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (15,412)	\$ (128,094)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	911	9,545
Change in fair value of preferred stock warrant liability	-	5,810
Stock based compensation	-	13,313
Inventory writedowns	-	652
Changes in operating assets and liabilities:		
Accounts receivable	7,898	(3,056)
Inventory	(2,002)	(20,062)
Prepaid expenses and other current assets	(5,128)	(11,389)
Operating lease vehicles	(629)	(7,402)
Other assets	274	(503)
Accounts payable	473	8,319
Accrued liabilities	3,266	3,481
Other long term liabilities	233	2,995
Deferred development compensation	-	(169)
Deferred revenue	130	5,712
Revolvable reservation payments	2,307	25,318
Net cash used in operating activities	(7,919)	(115,716)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(1,518)	(94,509)
Increase (decrease) in restricted cash deposits	(3)	(83,615)
Net cash used in investing activities	(1,521)	(178,124)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	63,060
Proceeds from issuance of convertible notes and warrants	-	-
Proceeds from exercise of stock options	76	289
Proceeds from issuance of common stock	30,000	30,000
Deferred common stock issuance cost (Panasonic)	(3)	(43)
Proceeds from IPO and private placement	-	238,842
Principal payments on capital leases and other debt	(28)	(288)
Issuance costs	-	(3,682)
Net cash provided by financing activities	30,044	328,770
Increase (decrease) in cash and cash equivalents	17,474	34,931
Cash and cash equivalents, beginning of period	67,004	69,627
Cash and cash equivalents, end of period	\$ 84,478	\$ 104,558
<b>Non cash activities</b>		
Warrants issued to DOE	\$	8,293
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.

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)(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, 2010	\$46,985,000	<i>Covenant Requirement</i>
Current ratio as of November 30, 2010	<u>5.36</u>	> <u>1.40</u>

In accordance to Annex 9.1 (c) (ii)

Cash balance as of November 30, 2010	\$104,558,000	<i>Covenant Requirement</i>
		\$15,000,000
		<u>\$1,779,002</u> <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$104,558,000</u>	> <u>\$16,779,002</u>

*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)(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> :	\$ 134 MM
2.	Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as <u>Exhibit 8.1(d)(i)</u> :	\$ 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:** Zachary Kirkhorn [(b) (6)]  
**Sent:** Wednesday, January 26, 2011 6:12 PM  
**To:** Mates, Michael  
**Cc:** Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer  
**Subject:** 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)]

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

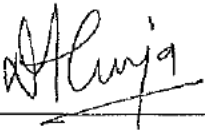
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of December 31, 2010 and such Financial Statements fairly present, in all material respects, 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 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

*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)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja

Title: CFO



*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)(i)

Financial Statements

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)(1)

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

	Dec-10
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 99,568
Restricted cash	73,597
Accounts receivable, net	6,710
Inventory	45,183
Prepaid expenses and other current assets	10,788
<b>Total current assets</b>	<b>235,836</b>
Operating lease vehicles, net	7,963
Property and equipment, net	122,563
Restricted cash	4,866
Other assets	14,667
<b>Total assets</b>	<b>\$ 385,895</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 28,561
Accrued liabilities	20,946
Deferred revenue	4,634
Capital lease obligations, current portion	279
Refundable reservation payments	30,755
<b>Total current liabilities</b>	<b>86,175</b>
Common stock warrant liability	6,088
Capital lease obligations, less current portion	496
Long-term debt	71,828
Deferred revenue, less current portion	2,784
Other long-term liabilities	12,233
<b>Total liabilities</b>	<b>178,604</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	95
Additional paid in capital	621,860
Accumulated deficit	(414,664)
<b>Total stockholders' equity (deficit)</b>	<b>207,291</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 385,895</b>

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.

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)(i)**

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

	Dec-10	YTD 2010
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 12,143	\$ 97,077
Development services	3,418	19,667
<b>Total revenues</b>	<b>15,561</b>	<b>116,744</b>
<b>Cost of revenues</b>		
Automotive	9,689	79,982
Development services	623	6,031
<b>Total cost of revenues</b>	<b>10,312</b>	<b>86,013</b>
<b>Gross profit</b>	<b>5,249</b>	<b>30,731</b>
<b>Operating expenses</b>		
Research & development	18,746	92,738
Selling, general and administrative	12,946	84,465
<b>Total operating expenses</b>	<b>31,692</b>	<b>177,203</b>
<b>Operating loss</b>	<b>(26,443)</b>	<b>(146,470)</b>
Interest income	16	259
Interest expense	286	(993)
Other income (expense)	225	(6,695)
<b>Pre-tax loss</b>	<b>(25,916)</b>	<b>(153,799)</b>
Tax	1	212
<b>Net loss</b>	<b>\$ (25,917)</b>	<b>\$ (154,011)</b>

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 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 8.4(d)(i)

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

	Dec-10 (Unaudited)	YTD 2010 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (25,917)	\$ (154,011)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,078	10,623
Change in fair value of preferred stock warrant liability	(587)	5,023
Stock based compensation	7,843	21,156
Loss on abandonment of fixed assets	8	8
Inventory writedowns	299	951
Changes in operating assets and liabilities:		
Accounts receivable	(107)	(3,222)
Inventory	(2,849)	(22,911)
Prepaid expenses and other current assets	9,048	(4,926)
Operating lease vehicles	(996)	(8,308)
Other assets	279	(110)
Accounts payable	5,850	2,274
Accrued liabilities	1,312	13,272
Other long term liabilities	8,778	8,774
Deferred development compensation	-	(158)
Deferred revenue	(911)	4,801
Refundable reservation payments	(610)	4,707
<b>Net cash used in operating activities</b>	<b>(6,543)</b>	<b>(122,444)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment, excluding capital leases	(18,389)	(110,712)
Increase (decrease) in restricted cash deposits	8,732	(74,664)
<b>Net cash used in investing activities</b>	<b>(7,657)</b>	<b>(185,376)</b>
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	9,788	71,828
Proceeds from issuance of convertible notes and warrants	-	-
Proceeds from exercise of stock options	460	1,351
Proceeds from issuance of common stock	-	30,000
Deferred common stock issuance cost (Panasonic)	-	(32)
Proceeds from IPO and private placement	-	238,842
Principal payments on capital leases and other debt	(28)	(315)
Issuance costs	-	(3,693)
<b>Net cash provided by financing activities</b>	<b>9,200</b>	<b>337,971</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6,000)</b>	<b>29,931</b>
Cash and cash equivalents, beginning of period	104,558	89,827
<b>Cash and cash equivalents, end of period</b>	<b>\$ 98,558</b>	<b>\$ 119,758</b>
<b>Non cash activities</b>		
Warrants issued to DOE	\$	6,293
Conversion of preferred stock	-	319,225
Net exercise of preferred stock warrants	-	6,982
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.

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)(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	<i>Covenant Requirement</i>
Current ratio as of December 31, 2010	<u>4.33</u>	> 1.40

In accordance to Annex 9.1 (c) (ii)

Cash balance as of December 31, 2010	\$99,558,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$2,006,319 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$99,558,000</u>	> <u>\$17,006,319</u>

*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)(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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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:** Zachary Kirkhorn | (b) (6)  
**Sent:** Friday, February 18, 2011 5:20 PM  
**To:** Mates, Michael  
**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)

*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)).*

### FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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

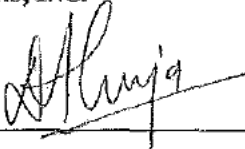


*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja

Title: CFO

*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)(i)

Financial Statements

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 B.1(d)(i)

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

	2011
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	66,652
Restricted cash	73,597
Accounts receivable, net	10,159
Inventory	47,440
Prepaid expenses and other current assets	11,496
<b>Total current assets</b>	<b>209,344</b>
Operating lease vehicles, net	8,161
Property and equipment, net	122,198
Restricted cash	4,674
Other assets	22,855
<b>Total assets</b>	<b>\$ 367,232</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 27,747
Accrued liabilities	14,839
Deferred revenue	4,316
Capital lease obligations, current portion	271
Refundable reservation payments	33,622
<b>Total current liabilities</b>	<b>80,795</b>
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	12,527
<b>Total liabilities</b>	<b>174,601</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	95
Additional paid in capital	622,434
Accumulated deficit	(429,898)
<b>Total stockholders' equity (deficit)</b>	<b>192,631</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 367,232</b>

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.

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)(i)

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

	JAN 2011 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 6,564	\$ 6,564
Development services	394	394
<b>Total revenues</b>	<b>6,958</b>	<b>6,958</b>
<b>Cost of revenues</b>		
Automotive	5,258	5,258
Development services	650	650
<b>Total cost of revenues</b>	<b>5,908</b>	<b>5,908</b>
<b>Gross profit</b>	<b>1,050</b>	<b>1,050</b>
<b>Operating expenses</b>		
Research & development	9,578	9,578
Selling, general and administrative	6,366	6,366
<b>Total operating expenses</b>	<b>15,944</b>	<b>15,944</b>
<b>Operating loss</b>	<b>(14,894)</b>	<b>(14,894)</b>
Interest income	13	13
Interest expense	(2)	(2)
Other income (expense)	(34)	(34)
<b>Pre-tax loss</b>	<b>(14,917)</b>	<b>(14,917)</b>
<b>Tax</b>		
<b>Net loss</b>	<b>\$ (14,917)</b>	<b>\$ (14,917)</b>

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 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)(i)

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

	Jan 11	YTD 2011
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (14,917)	\$ (14,917)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	933	933
Change in fair value of preferred stock warrant liability		
Stock based compensation		
Loss on abandonment of fixed assets		
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)	(1,113)
Operating lease vehicles	(294)	(294)
Other assets	(125)	(125)
Accounts payable	(4,081)	(4,081)
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)
<b>Cash flows from Investing activities</b>		
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)	(4,256)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable		
Proceeds from issuance of convertible notes and warrants		
Proceeds from exercise of stock options	500	500
Proceeds from issuance of common stock		
Principal payments on capital leases and other debt	(24)	(24)
Net cash provided by financing activities	476	476
Increase (decrease) in cash and cash equivalents	(32,906)	(32,906)
Cash and cash equivalents, beginning of period	99,558	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.

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)(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 Requirement
Current ratio as of January 31, 2011	<u>4.44</u>	1.40

In accordance to Annex 9.1 (c) (ii)

Cash balance as of January 31, 2011	\$66,652,000	Covenant Requirement
		\$15,000,000
		\$2,005,230 Interest Expense Annualized
Total Pro Forma Cash Balance	<u>\$66,652,000</u>	<u>\$17,005,230</u>

*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)(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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



*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

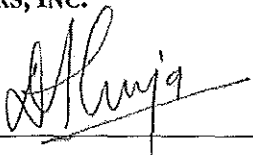
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of January 31, 2011 and such Financial Statements fairly present, in all material respects, the 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 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

*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)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja

Title: CFO

*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)(i)

Financial Statements

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)(i)

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

	January (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
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
<b>Total current assets</b>	<b>209,344</b>
Operating lease vehicles, net	8,161
Property and equipment, net	122,198
Restricted cash	4,674
Other assets	22,855
<b>Total assets</b>	<b>\$ 367,232</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 27,747
Accrued liabilities	14,839
Deferred revenue	4,316
Capital lease obligations, current portion	271
Refundable reservation payments	33,622
<b>Total current liabilities</b>	<b>80,795</b>
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	12,527
<b>Total liabilities</b>	<b>174,601</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	95
Additional paid in capital	622,434
Accumulated deficit	(429,898)
<b>Total stockholders' equity (deficit)</b>	<b>192,631</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 367,232</b>

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.

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)(i)

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

	Jan 11 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 6,564	\$ 6,564
Development services	394	394
<b>Total revenues</b>	<b>6,958</b>	<b>6,958</b>
<b>Cost of revenues</b>		
Automotive	5,258	5,258
Development services	650	650
<b>Total cost of revenues</b>	<b>5,908</b>	<b>5,908</b>
<b>Gross profit</b>	<b>1,050</b>	<b>1,050</b>
<b>Operating expenses</b>		
Research & development	9,578	9,578
Selling, general and administrative	6,366	6,366
<b>Total operating expenses</b>	<b>15,944</b>	<b>15,944</b>
<b>Operating loss</b>	<b>(14,894)</b>	<b>(14,894)</b>
Interest income	13	13
Interest expense	(2)	(2)
Other income (expense)	(34)	(34)
<b>Pre-tax loss</b>	<b>(14,917)</b>	<b>(14,917)</b>
<b>Tax</b>		
<b>Net loss</b>	<b>\$ (14,917)</b>	<b>\$ (14,917)</b>

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 B.1(d)(i)

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

	Jan 11	YTD 2011
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (14,917)	\$ (14,917)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	933	933
Change in fair value of preferred stock warrant liability	-	-
Stock based compensation	-	-
Loss on abandonment of fixed assets	-	-
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)	(1,113)
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)
<b>Cash flows from Investing activities</b>		
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)	(4,256)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	-
Proceeds from issuance of convertible notes and warrants	-	-
Proceeds from exercise of stock options	500	500
Proceeds from issuance of common stock	-	-
Principal payments on capital leases and other debt	(24)	(24)
Net cash provided by financing activities	476	476
Increase (decrease) in cash and cash equivalents	(32,906)	(32,906)
Cash and cash equivalents, beginning of period	99,558	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.

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**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	<i>Covenant Requirement</i>
Current ratio as of January 31, 2011	<u>4.44</u>	> 1.40

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of January 31, 2011	\$66,652,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$2,005,230 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$66,652,000</u>	> <u>\$17,005,230</u>



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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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

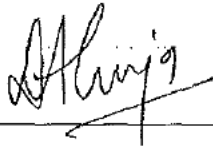
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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: \_\_\_\_\_



Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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Exhibit 8.1(d)(i)

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

	Feb-11 (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash 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
<b>Total current assets</b>	<b>210,617</b>
Operating lease vehicles, net	8,262
Property and equipment, net	123,863
Restricted cash	4,854
Other assets	22,855
<b>Total assets</b>	<b>\$ 370,451</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	29,149
Accrued liabilities	13,832
Deferred revenue	8,995
Capital lease obligations, current portion	261
Refundable reservation payments	36,604
<b>Total current liabilities</b>	<b>83,641</b>
Common stock warrant liability	6,088
Capital lease obligations, less current portion	463
Long-term debt	87,415
Deferred revenue, less current portion	2,953
Other long-term liabilities	12,778
<b>Total liabilities</b>	<b>193,338</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	95
Additional paid in capital	624,805
Accumulated deficit	(447,587)
<b>Total stockholders' equity (deficit)</b>	<b>177,113</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 370,451</b>

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(d)(1)

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

	Feb-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 11,786	\$ 18,350
Development services	2,053	2,447
<b>Total revenues</b>	<b>13,839</b>	<b>20,797</b>
<b>Cost of revenues</b>		
Automotive	9,765	15,024
Development services	1,754	2,404
<b>Total cost of revenues</b>	<b>11,519</b>	<b>17,428</b>
<b>Gross profit</b>	<b>2,320</b>	<b>3,369</b>
<b>Operating expenses</b>		
Research & development	12,433	22,016
Selling, general and administrative	7,140	13,507
<b>Total operating expenses</b>	<b>19,573</b>	<b>35,523</b>
<b>Operating loss</b>	<b>(17,253)</b>	<b>(32,154)</b>
Interest income	13	26
Interest expense	(347)	(349)
Other income (expense)	(75)	(108)
<b>Pre-tax loss</b>	<b>(17,662)</b>	<b>(32,585)</b>
Tax	21	21
<b>Net loss</b>	<b>\$ (17,689)</b>	<b>\$ (32,606)</b>

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)(l)

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

	Feb. 11	YTD 2011
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (17,889)	\$ (32,606)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,154	2,183
Change in fair value of warrant liability	-	-
Stock based compensation	-	-
Loss on abandonment of fixed assets	-	-
Inventory write-downs	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(1,466)	(4,915)
Inventory	(735)	(5,788)
Prepaid expenses and other current assets	2,930	1,818
Operating lease vehicles	(200)	(495)
Other assets	-	(325)
Accounts payable	5,167	1,105
Accrued liabilities	(1,988)	(5,915)
Other long term liabilities	251	505
Deferred revenue	(253)	(470)
Refundable reservation payments	2,982	5,849
Net cash used in operating activities	<u>(9,825)</u>	<u>(38,854)</u>
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(6,489)	(11,028)
Increase (decrease) in restricted cash deposits	15,405	15,597
Net cash used in investing activities	<u>8,922</u>	<u>(4,569)</u>
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	15,586	15,586
Proceeds from issuance of common stock	2,172	2,672
Principal payments on capital leases and other debt	(27)	(51)
Net cash provided by financing activities	<u>17,731</u>	<u>18,207</u>
Increase (decrease) in cash and cash equivalents	<u>16,828</u>	<u>(16,078)</u>
Cash and cash equivalents, beginning of period	66,052	69,558
Cash and cash equivalents, end of period	<u>\$ 83,480</u>	<u>\$ 83,480</u>

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.



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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	<i>Covenant Requirement</i>
Current ratio as of February 28, 2011	<u>4.48</u>	1.40

In accordance to Annex 9.1 (c) (ii)

Cash balance as of February 28, 2011	\$83,480,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$2,864,774 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$83,480,000</u>	<u>\$17,864,774</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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(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
  - 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)(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

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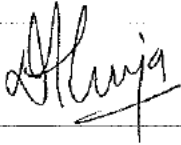
comply with GAAP as a result of normal adjustments that are recorded on a quarterly basis;

3. Pursuant to Section 8.1(d)(ii) 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.

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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

*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)).*

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

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Exhibit 8.1(c)(i)

Audited consolidated Financial Statements for 2010

**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)).

**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)

	December 31, 2010	December 31, 2009
<b>Assets</b>		
<b>Current assets</b>		
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	—
Property, plant and equipment, net .....	114,636	23,535
Restricted cash .....	4,867	3,580
Other assets .....	22,730	2,750
Total assets .....	\$ 386,082	\$ 130,424
<b>Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)</b>		
<b>Current liabilities</b>		
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
<b>Commitments and contingencies (Note 14)</b>		
<b>Convertible preferred stock; \$0.001 par value; 221,903,982 shares authorized</b>		
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 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 December 31, 2010 and 2009, respectively (Liquidation value: \$40,000) .....	—	39,789
Series D convertible preferred stock; 0 and 18,440,449 shares issued and outstanding as of 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 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 December 31, 2010 and 2009, respectively (Liquidation value: \$82,500) .....	—	82,378
Total convertible preferred stock .....	—	319,225
<b>Stockholders' equity (deficit)</b>		
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

The accompanying notes are an integral part of these consolidated financial statements.

Tesla Motors, Inc.

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

	Year Ended December 31,		
	2010	2009	2008
<b>Revenues</b>			
Automotive sales .....	\$ 97,078	\$ 111,943	\$ 14,742
Development services .....	19,666	—	—
Total revenues .....	116,744	111,943	14,742
<b>Cost of revenues</b>			
Automotive sales .....	79,982	102,408	15,883
Development services .....	6,031	—	—
Total cost of revenues .....	86,013	102,408	15,883
Gross profit (loss) .....	30,731	9,535	(1,141)
<b>Operating expenses</b>			
Research and development (net of development compensation of \$23,249 for the year ended December 31, 2009) (Note 2) .....	92,996	19,282	53,714
Selling, general and administrative .....	84,573	42,150	23,649
Total operating expenses .....	177,569	61,432	77,363
Loss from operations .....	(146,838)	(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 .....	173	26	97
Net loss .....	<u>\$ (154,328)</u>	<u>\$ (55,740)</u>	<u>\$ (82,782)</u>
Net loss per share of common stock, basic and diluted .....	<u>\$ (3.04)</u>	<u>\$ (7.94)</u>	<u>\$ (12.46)</u>
Weighted average shares used in computing net loss per share of common stock, basic and diluted .....	<u>50,718,302</u>	<u>7,021,963</u>	<u>6,646,387</u>

The accompanying notes are an integral part of these consolidated financial statements.

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

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
<b>Balance as of December 31, 2007</b> .....	78,355,195	\$ 101,178	6,325,229	\$ 6	\$ 4,280	\$ (122,132)	\$ (117,846)
Issuance of common stock upon exercise of stock options, net of repurchases .....	—	—	675,202	1	455	—	456
Issuance of common stock to consultant .....	—	—	10,000	0	21	—	21
Stock-based compensation .....	—	—	—	—	437	—	437
Net loss .....	—	—	—	—	—	(82,782)	(82,782)
<b>Balance as of December 31, 2008</b> .....	78,355,195	101,178	7,010,431	7	5,193	(204,914)	(199,714)
Issuance of Series E convertible preferred stock in May 2009 (inclusive of conversion of note payable) at \$2.51 per share, net of issuance cost of \$556 .....	102,776,779	135,669	—	—	—	—	—
Issuance of Series F convertible preferred stock in August 2009 at \$2.97 per share, net of issuance cost of \$122 .....	27,785,263	82,378	—	—	—	—	—
Issuance of common stock upon exercise of stock options, net of repurchases .....	—	—	273,769	0	497	—	497
Stock-based compensation .....	—	—	—	—	1,434	—	1,434
Net loss .....	—	—	—	—	—	(55,740)	(55,740)
<b>Balance as of December 31, 2009</b> .....	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 .....	—	—	11,880,600	12	184,461	—	184,473
Issuance of common stock in July 2010 concurrent private placement at \$17.00 per share .....	—	—	2,941,176	3	49,997	—	50,000
Issuance of common stock in November 2010 private 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 .....	(208,917,237)	(319,225)	70,226,844	70	319,155	—	319,225
Issuance of common stock upon net exercise of warrants .....	—	—	445,047	1	8,662	—	8,663
Issuance of common stock upon exercise of stock options, net of repurchases .....	—	—	711,930	1	1,349	—	1,350
Tax benefits from employee equity awards .....	—	—	—	—	74	—	74
Stock-based compensation .....	—	—	—	—	21,156	—	21,156
Net loss .....	—	—	—	—	—	(154,328)	(154,328)
<b>Balance as of December 31, 2010</b> .....	—	\$ —	94,908,370	\$ 95	\$ 621,935	\$ (414,982)	\$ 207,048

The accompanying notes are an integral part of these consolidated financial statements.

Tesla Motors, Inc.

Consolidated Statements of Cash Flows  
(in thousands)

	Year Ended December 31,		
	2010	2009	2008
<b>Cash flows from operating activities</b>			
Net loss	\$ (154,328)	\$ (55,740)	\$ (82,782)
Adjustments to reconcile net loss to net cash used in operating activities:			
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)	—	—
Loss on abandonment of fixed assets	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
Deferred development compensation	(156)	(10,017)	10,173
Deferred revenue	4,801	(1,456)	4,073
Reservation payments	4,707	(21,971)	10,684
Other long-term liabilities	3,515	2,192	1,192
Net cash used in operating activities	<u>(127,817)</u>	<u>(80,825)</u>	<u>(52,412)</u>
<b>Cash flows from investing activities</b>			
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	—	—
Increase in other restricted cash	(1,287)	(2,360)	(960)
Net cash used in investing activities	<u>(180,297)</u>	<u>(14,244)</u>	<u>(11,590)</u>
<b>Cash flows from financing activities</b>			
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	—	1,000
Proceeds from issuance of convertible notes and warrants	—	25,468	54,782
Proceeds from exercise of stock options	1,350	497	477
Excess tax benefits from stock-based compensation	74	—	—
Common stock and loan facility issuance costs	(3,734)	(2,046)	—
Net cash provided by financing activities	<u>338,045</u>	<u>155,419</u>	<u>56,068</u>
Net increase (decrease) in cash and cash equivalents	29,931	60,350	(7,934)
Cash and cash equivalents at beginning of period	69,627	9,277	17,211
Cash and cash equivalents at end of period	<u>\$ 99,558</u>	<u>\$ 69,627</u>	<u>\$ 9,277</u>
<b>Supplemental Disclosures</b>			
Interest paid	\$ 1,138	\$ 70	\$ 41
Income taxes paid	9	171	—
<b>Supplemental noncash investing and financing activities</b>			
Conversion of preferred stock to common stock	319,225	—	—
Issuance of common stock upon net exercise of warrants	6,962	—	—
Issuance of convertible preferred stock warrant	6,294	—	—
Issuance of common stock warrant	1,701	—	—
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

The accompanying notes are an integral part of these consolidated financial statements.

## 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 31, 2010				December 31, 2009			
	Fair Value	Level I	Level II	Level III	Fair Value	Level I	Level II	Level III
Money market funds .....	\$ 145,708	\$ 145,708	\$ —	\$ —	\$ 64,420	\$ 64,420	\$ —	\$ —
Common stock warrant liability.....	6,088	—	—	6,088	—	—	—	—
Convertible preferred 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 .....	<u>\$ 5,417</u>	<u>\$ 3,757</u>

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	2009
<b>Inventory</b>		
Raw material.....	\$ 15,936	\$ 10,001
Work in process.....	4,538	3,403
Finished goods.....	20,125	7,038
Service.....	4,583	2,780
	<u>\$ 45,182</u>	<u>\$ 23,222</u>

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
<b>Property, Plant and Equipment, net</b>		
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>\$ 114,636</u>	<u>\$ 23,535</u>

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
<b>Other Assets</b>		
Loan facility issuance costs, net .....	\$ 7,053	\$ 709
Common stock issuance costs .....	—	1,337
Emission credits .....	14,508	—
Others.....	1,169	704
	<u>\$ 22,730</u>	<u>\$ 2,750</u>

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

	December 31,	
	2010	2009
<b>Accrued Liabilities</b>		
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
	<u>\$ 20,945</u>	<u>\$ 14,532</u>

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

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

	Par Value	Share Price at issuance	Authorized	Issued and Outstanding	Liquidation 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.....	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.....			<u>221,903,982</u>	<u>208,917,237</u>	<u>\$ 442,151</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		Weighted Average Exercise Price
	Shares Available for Grant	Number of Options	
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 .....	<u>2,129,374</u>	<u>(2,129,374)</u>	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 .....	<u>1,369,100</u>	<u>(1,369,100)</u>	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 .....	<u>443,537</u>	<u>(443,537)</u>	6.61
Balance, December 31, 2010 .....	<u>9,407,975</u>	<u>13,738,122</u>	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:

Range of Exercise Price	Options Outstanding			Options Exercisable		
	Number	Weighted Average 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	
	<u>13,804,788</u>	8.59	6.06	<u>3,506,279</u>	5.05	5.19

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

Range of Exercise Price	Options Outstanding			Options Exercisable		
	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in 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	Exercise Price and Fair Value per Share of Common 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.....	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 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):

	2010	2009	2008
Cost of sales.....	\$ 243	\$ 61	\$ 26
Research and development.....	4,139	376	125
Selling, general and administrative.....	16,774	997	286
Total.....	<u>\$ 21,156</u>	<u>\$ 1,434</u>	<u>\$ 437</u>

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):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Domestic.....	\$ 154,734	\$ 56,983	\$ 82,963
International.....	<u>(579)</u>	<u>(1,269)</u>	<u>(278)</u>
Loss before income taxes.....	<u>\$ 154,155</u>	<u>\$ 55,714</u>	<u>\$ 82,685</u>

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

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

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

	December 31,	
	2010	2009
<b>Deferred tax assets:</b>		
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)
<b>Deferred tax liabilities:</b>		
Undistributed earnings of foreign subsidiaries .....	—	(65)
Depreciation and amortization.....	—	(29)
Net deferred tax assets.....	<u>\$ 17</u>	<u>\$ 12</u>

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.....	52,534	19,041	30,223
Provision for income taxes .....	<u>\$ 173</u>	<u>\$ 26</u>	<u>\$ 97</u>

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.....	<u>575</u>
December 31, 2008.....	15,055
Increases in balances related to tax positions taken during current year.....	<u>541</u>
December 31, 2009.....	15,596
Increases in balances related to tax positions taken during current year.....	<u>797</u>
December 31, 2010.....	<u>\$ 16,393</u>

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.

<i>Revenues</i>	<u>2010</u>	<u>2009</u>	<u>2008</u>
North America.....	\$ 41,866	\$ 90,833	\$ 14,742
Europe.....	70,542	21,110	—
Asia.....	4,336	—	—
	<u>\$ 116,744</u>	<u>\$ 111,943</u>	<u>\$ 14,742</u>

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

### *Long-lived Assets*

	December 31,	
	2010	2009
United States.....	\$ 119,014	\$ 22,667
International.....	3,585	868
Total.....	<u>\$ 122,599</u>	<u>\$ 23,535</u>

### **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 completed the first milestone and along with the amortization of our upfront payment, 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):

	Operating Leases	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 .....	<u>\$ 53,431</u>	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 .....		<u>\$ 496</u>

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 months ended			
	March 31	June 30	September 30	December 31
<b>2010</b>				
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)
<b>2009</b>				
Total revenues .....	\$ 20,886	\$ 26,945	\$ 45,527	\$ 18,585
Gross profit (loss).....	(2,046)	2,101	7,699	1,781
Net loss .....	(16,016)	(10,867)	(4,615)	(24,242)
Net loss per share, basic and diluted.....	(2.31)	(1.56)	(0.66)	(3.43)

*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(c)(ii)

Unaudited Consolidating Financial Statements for 2010

Exhibit 8.1(d)(1)  
 Tesla Motors, Inc.  
 Consolidating Balance Sheet  
 As of December 31, 2010  
 (Unaudited)  
 (In thousands)

	UK	Thailand	Germany	France	Spain	USA	Canada	IC Substitution
<b>ASSETS</b>								
Cash and cash equivalents	1,740	93	573	483	40,483	73,587	45,182	73,587
Receivables	1,740	93	573	483	40,483	73,587	45,182	73,587
Inventory	1,740	93	573	483	40,483	73,587	45,182	73,587
Prepaid expenses and other receivables	1,740	93	573	483	40,483	73,587	45,182	73,587
Other assets	1,740	93	573	483	40,483	73,587	45,182	73,587
Total current assets	13,344	2,270	1,658	1,582	212,313	372	1,731	575
Property and equipment, net	473	200	140	148	720	83	83	33
Intangible assets	1,300	15	30	27	27	219	719	1,300
Other non-current assets	1,300	15	30	27	27	219	719	1,300
Total non-current assets	3,073	310	170	182	774	1,021	701	1,332
Total assets	16,417	2,580	1,828	1,764	213,087	1,393	2,432	1,907
<b>LIABILITIES AND EQUITY</b>								
Accounts payable	1,033	441	230	135	15,971	40	31	35
Accrued expenses	1,033	441	230	135	15,971	40	31	35
Capital lease obligations, current portion	1,033	441	230	135	15,971	40	31	35
Other current liabilities	1,033	441	230	135	15,971	40	31	35
Total current liabilities	17,081	2,556	1,660	1,447	81,122	354	1,094	1,385
Common stock without par value	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Preferred stock, \$0.001 par value	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Additional paid-in capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Retained earnings	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other non-current liabilities	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total non-current liabilities	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total liabilities	18,081	3,556	2,660	2,447	82,122	354	1,094	1,385
Equity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total equity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total liabilities and equity	19,081	4,556	3,660	3,447	83,122	1,354	2,094	2,385

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.



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Exhibit 8.1(d)(1)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Twelve Months Ended December 31, 2010  
 (In thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>REVENUE</b>														
Product revenue	5,911	8,759	2,223	433	1,102	1,988	76	116,718	248	3,483	1,286	183	434	0
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	5,911	8,759	2,223	433	1,102	1,988	76	116,718	248	3,483	1,286	183	434	0
<b>OPERATING EXPENSES</b>														
Cost of revenue	(4,027)	(6,876)	(712)	(158)	(669)	(1,273)	(81)	(94,173)	-	(2,424)	(1,024)	(1)	(377)	(67,668)
Research and development	(10,844)	9	2,059	1,447	805	718	140	21,593	348	1,449	361	150	670	(2,341)
Marketing and advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General and administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	(14,871)	(6,867)	(4,763)	(3,156)	(4,643)	(3,261)	(32)	(72,576)	348	(1,374)	(663)	(149)	(707)	(70,009)
<b>Operating income (loss)</b>	(8,960)	2,090	(2,540)	(2,723)	(3,541)	(1,273)	(26)	44,142	(900)	2,109	2,349	(33)	(273)	(70,709)
Other income (expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating income (expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax income (loss)</b>	(8,960)	2,090	(2,540)	(2,723)	(3,541)	(1,273)	(26)	44,142	(900)	2,109	2,349	(33)	(273)	(70,709)
Provision for income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	(8,960)	2,090	(2,540)	(2,723)	(3,541)	(1,273)	(26)	44,142	(900)	2,109	2,349	(33)	(273)	(70,709)

The Company believes in good faith that the unaudited financial statements herein fully 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 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.

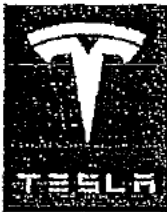
*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
San Jose, California  
March 2, 2011

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Exhibit 8.1(c)(v)

Management Representation Letter



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.
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: 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.
6. We are not aware of any significant deficiencies in the design or operation of internal control over financial reporting.
7. 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
  - c. Others where the fraud could have a material effect on the consolidated financial statements.
9. 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 Auditing 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.
11. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
12. 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. 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 3.87%, equity volatility of 66% 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 Retirement 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.
33. 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)

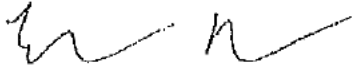
(b) (4)

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:
- i. The selling price for each deliverable was determined using vendor-specific objective evidence (VSOE) of selling price.
  - ii. 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 their 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

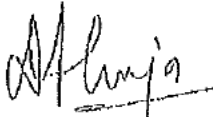
the recipient in a relatively short time period from the approval date in accordance with FASB Staff Position ASC 718, *Stock Compensation*.

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-than-not, 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*.

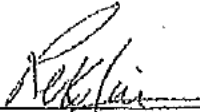
To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned consolidated financial statements.



Elon Musk, President and Chief Executive Officer



Deepak Ahuja, Chief Financial Officer



Rex Liu, Corporate Controller

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Exhibit 8.1(c)(vi)

No Default Letter from PwC



## 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.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

March 2, 2011

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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	\$235,887,000	
Total current liabilities as of December 31, 2010	\$54,809,000	<i>Covenant Requirement</i>
Current ratio as of December 31, 2010	<u>4.30</u>	> <u>1.40</u>

In accordance to Annex 9.1 (c) (ii)

Cash balance as of December 31, 2010	\$99,558,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$2,006,319 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$99,558,000</u>	> <u>\$17,006,319</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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**

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**From:** Deepak Ahuja (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  
**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 Procedures Report for September, October, November, and December 2010.

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

**Deepak Ahuja**  
(b) (6)

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## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

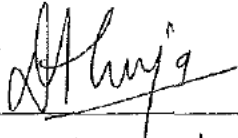
1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2011, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), 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 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

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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: DEEPAK ANUJA  
Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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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
	(Unaudited)	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 100,655	\$ 99,558
Restricted cash	42,943	73,597
Accounts receivable	20,260	6,710
Inventory	50,823	45,162
Prepaid expenses and other current assets	12,225	10,839
<b>Total current assets</b>	<b>226,906</b>	<b>235,866</b>
Operating lease vehicles, net	9,141	7,963
Property and equipment, net	143,372	114,636
Restricted cash	4,934	4,867
Other assets	22,936	22,730
<b>Total assets</b>	<b>\$ 407,289</b>	<b>\$ 386,082</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 49,660	\$ 28,951
Accrued liabilities	19,809	20,945
Deferred revenue	3,820	4,635
Capital lease obligations, current portion	275	279
Reservation payments	39,412	30,755
<b>Total current liabilities</b>	<b>112,976</b>	<b>85,565</b>
Common stock warrant liability	7,509	6,088
Capital lease obligations, less current portion	421	496
Deferred revenue, less current portion	3,089	2,769
Long-term debt	102,484	71,828
Other long-term liabilities	13,072	12,274
<b>Total liabilities</b>	<b>239,551</b>	<b>179,034</b>
<b>Stockholders' equity (deficit)</b>		
Common stock	96	96
Additional paid-in capital	631,564	621,935
Accumulated deficit	(463,922)	(414,982)
<b>Total stockholders' equity (deficit)</b>	<b>167,738</b>	<b>207,048</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 407,289</b>	<b>\$ 386,082</b>

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(d)(i)

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

	Three months ended	
	March 31,	
	2011	2010
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 33,628	\$ 20,585
Development services	15,402	227
<b>Total revenues</b>	<b>49,030</b>	<b>20,812</b>
<b>Cost of revenues</b>		
Automotive	26,964	16,858
Development services	4,041	102
<b>Total cost of revenues</b>	<b>31,002</b>	<b>16,960</b>
<b>Gross profit</b>	<b>18,028</b>	<b>3,852</b>
<b>Operating expenses</b>		
Research & development	41,162	13,265
Selling, general and administrative	24,212	16,585
<b>Total operating expenses</b>	<b>65,374</b>	<b>29,850</b>
<b>Operating loss</b>	<b>(47,346)</b>	<b>(25,998)</b>
Interest income	40	48
Interest expense	-	(230)
Other expense	(1,485)	(3,221)
<b>Pre-tax loss</b>	<b>(48,791)</b>	<b>(29,401)</b>
Tax	150	118
<b>Net loss</b>	<b>\$ (48,941)</b>	<b>\$ (29,519)</b>

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.

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Exhibit 8.1(d)(i)

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

	Three months ended	
	March 31,	
	2011	2010
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
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	2,141
Change in fair value of warrant liabilities	1,421	2,332
Stock based compensation	5,926	3,307
Loss on abandonment of fixed assets	11	-
Inventory writedowns	383	141
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	(368)	283
Accounts payable and accrued liabilities	7,742	(3,507)
Deferred development compensation	-	(156)
Deferred revenue	(509)	5,521
Reservation payments	8,057	(39)
Other long-term liabilities	798	403
Net cash used in operating activities	(43,287)	(27,329)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(20,478)	(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)
<b>Cash flows from Financing activities</b>		
Proceeds from issuance of notes 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	89,558	89,627
Cash and cash equivalents, end of period	\$ 90,655	\$ 81,545

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.



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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)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance as of December 31, 2010	94,908,370	\$ 95	\$ 621,935	\$ (414,982)	\$ 207,048
Issuance of common stock related to stock option exercises and ESPI	646,470	1	3,703		3,704
Stock-based compensation			5,926		5,926
Net loss				(48,941)	(48,941)
<b>Balance as of March 31, 2011</b>	<b>95,554,840</b>	<b>\$ 96</b>	<b>\$ 631,564</b>	<b>\$ (463,922)</b>	<b>\$ 167,738</b>

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

CONFIDENTIAL - This document was developed in private expertise and includes trade secrets and confidential or proprietary information, or both, and Tesla Motors, Inc. considers protected, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).

Exhibit A.1400

Tesla Motors, Inc.  
Consolidating Balance Sheet  
As of March 31, 2011  
(In thousands)

	US	UK	Taiwan	Germany	Algeria	Japan	Spain	Italy	France	Canada	US Subsidiary
<b>BALANCE SHEET</b>											
<b>ASSETS:</b>											
Current assets:											
Cash and cash equivalents	1,185	117	18	27	117	25,328	51	1,000	100	100	42,443
Accounts receivable	117	18	27	117	25,328	51	1,000	100	100	42,443	
Inventory	117	18	27	117	25,328	51	1,000	100	100	42,443	
Prepaid expenses and other assets	117	18	27	117	25,328	51	1,000	100	100	42,443	
Total current assets	1,436	160	72	271	51,032	104	2,100	200	200	85,629	
Non-current assets:											
Goodwill	418	100	100	100	100	100	100	100	100	100	1,018
Property and equipment, net	117	18	27	117	25,328	51	1,000	100	100	42,443	
Intangible assets	117	18	27	117	25,328	51	1,000	100	100	42,443	
Investment in subsidiaries	117	18	27	117	25,328	51	1,000	100	100	42,443	
Other assets	117	18	27	117	25,328	51	1,000	100	100	42,443	
Total non-current assets	879	223	231	451	51,032	104	2,100	200	200	188,714	
<b>Total assets</b>	<b>2,315</b>	<b>383</b>	<b>203</b>	<b>722</b>	<b>102,064</b>	<b>208</b>	<b>4,200</b>	<b>400</b>	<b>400</b>	<b>274,343</b>	
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Deficit):</b>											
Current liabilities:											
Accounts payable	1,185	117	18	27	117	25,328	51	1,000	100	100	42,443
Accrued liabilities	117	18	27	117	25,328	51	1,000	100	100	42,443	
Current lease obligations	117	18	27	117	25,328	51	1,000	100	100	42,443	
Current income taxes	117	18	27	117	25,328	51	1,000	100	100	42,443	
Research and development	117	18	27	117	25,328	51	1,000	100	100	42,443	
Total current liabilities	1,653	160	72	271	51,032	104	2,100	200	200	85,629	
Non-current liabilities:											
Convertible preferred stock	117	18	27	117	25,328	51	1,000	100	100	42,443	
Total non-current liabilities	117	18	27	117	25,328	51	1,000	100	100	42,443	
<b>Total liabilities</b>	<b>1,770</b>	<b>178</b>	<b>99</b>	<b>388</b>	<b>76,360</b>	<b>155</b>	<b>3,100</b>	<b>300</b>	<b>300</b>	<b>128,072</b>	
Stockholders' equity (deficit):											
Common stock	117	18	27	117	25,328	51	1,000	100	100	42,443	
Additional paid-in capital	117	18	27	117	25,328	51	1,000	100	100	42,443	
Accumulated deficit	(117)	(18)	(27)	(117)	(25,328)	(51)	(1,000)	(100)	(100)	(42,443)	
Total stockholders' equity (deficit)	117	18	27	117	25,328	51	1,000	100	100	42,443	
<b>Total liabilities, convertible preferred stock and stockholders' equity (deficit)</b>	<b>1,887</b>	<b>196</b>	<b>126</b>	<b>505</b>	<b>101,688</b>	<b>206</b>	<b>4,100</b>	<b>400</b>	<b>400</b>	<b>170,515</b>	

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 March 31, 2011  
(Unaudited)  
(In thousands)

	DK	TH	CA	US	EU	JP	Other	Total	GAAP
Total revenue	17,418	1,941	760	271	248	1,139	529	46,001	260
Cost of revenue	17,359	1,875	772	182	243	1,251	529	31,655	217
Gross profit (loss)	59	66	(12)	89	5	(112)	0	14,346	43
Operating expenses									
Research and development	3,199	461	583	151	271	334	18	5,905	327
Selling, general and administrative	1,039	184	353	107	195	159	80	2,937	152
Total operating expenses	4,238	645	936	258	466	493	98	8,842	479
Other (non-recurring) expenses									
Interest income									
Interest expense									
Other non-recurring expenses									
Pre-Tax income (loss)	(3,844)	(579)	(622)	(169)	(243)	(131)	83	(45,540)	(87)
Income tax expense									
Net income (loss)	(3,844)	(579)	(622)	(169)	(243)	(131)	83	(45,540)	(87)

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(d)(iii)**

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

**In accordance with 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	<i>Covenant Requirement</i>
Current ratio as of March 31, 2011	<u>3.08</u>	<u>1.40</u>

**In accordance with Annex 9.1 (c) (ii)**

Cash balance as of March 31, 2011	\$100,655,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$2,863,740 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$100,655,000</u>	<u>\$17,863,740</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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:** Zachary Kirkhorn (b) (6)  
**Sent:** Wednesday, June 01, 2011 2:53 PM  
**To:** Mates, Michael  
**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)

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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

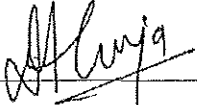
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja \_\_\_\_\_

Title: CFO \_\_\_\_\_

*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)(i)

Financial Statements

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)(i)

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

	Apr-11
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
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
<b>Total current assets</b>	<b>207,057</b>
Operating lease vehicles, net	9,644
Property and equipment, net	151,446
Restricted cash	5,039
Other assets	22,969
<b>Total assets</b>	<b>\$ 396,055</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 42,189
Accrued liabilities	18,436
Deferred revenue	3,639
Capital lease obligations, current portion	264
Refundable reservation payments	43,902
<b>Total current liabilities</b>	<b>108,430</b>
Common stock warrant liability	7,509
Capital lease obligations, less current portion	404
Long-term debt	111,221
Deferred revenue, less current portion	3,128
Other long term liabilities	13,141
<b>Total liabilities</b>	<b>243,833</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	96
Additional paid in capital	634,109
Accumulated deficit	(481,983)
<b>Total stockholders' equity (deficit)</b>	<b>152,222</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 396,055</b>

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(d)(i)**

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

	Apr-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 7,597	\$ 41,225
Development services	3,580	18,982
<b>Total revenues</b>	<b>11,177</b>	<b>60,207</b>
<b>Cost of revenues</b>		
Automotive	5,809	32,771
Development services	3,236	7,276
<b>Total cost of revenues</b>	<b>9,045</b>	<b>40,047</b>
<b>Gross profit</b>	<b>2,132</b>	<b>20,160</b>
<b>Operating expenses</b>		
Research & development	13,280	54,443
Selling, general and administrative	6,956	31,167
<b>Total operating expenses</b>	<b>20,236</b>	<b>85,610</b>
<b>Operating loss</b>	<b>(18,104)</b>	<b>(65,450)</b>
Interest income	10	50
Interest expense	(247)	(247)
Other income (expense)	280	(1,205)
<b>Pre-tax loss</b>	<b>(18,061)</b>	<b>(66,852)</b>
Tax		150
<b>Net loss</b>	<b>\$ (18,061)</b>	<b>\$ (67,002)</b>

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 four Months ended April 30, 2011  
(in thousands)

	Apr-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (18,061)	\$ (67,002)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,344	4,861
Change in fair value of warrant liability	-	1,421
Stock based compensation	2,169	6,094
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)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(10,831)	(39,307)
Withdrawals out of our dedicated Department of Energy account	8,736	39,391
Increase (decrease) in restricted cash deposits	(106)	(172)
Net cash used in investing activities	(10,200)	(88)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	8,736	39,392
Proceeds from issuance of common stock	376	4,082
Principal payments on capital leases and other debt	(27)	(106)
Net cash provided by financing activities	9,085	43,368
Increase (decrease) in cash and cash equivalents	(1,519)	(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.

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**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	<i>Covenant Requirement</i>
Current ratio as of April 30, 2011	<u>3.21</u>	> <i>1.40</i>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of April 30, 2011	\$99,136,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$3,421,351 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$99,136,000</u>	> <u>\$18,421,351</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

## EXECUTION COPY

**First Amendment to  
Loan Arrangement and Reimbursement Agreement**

FIRST AMENDMENT, dated as of June 15, 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. Amendments to the Arrangement Agreement. 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) Definition of “Cash Equivalents.” 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 clause (i), (ii), (iii) or (iv) 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) Definition of "Limited Cash Equivalents." 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 clause (i) above and entered into with a financial institution satisfying the criteria described in clause (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) Summary Chart. For the convenience of the parties, a summary of the amendments described in Sections 1(b) and 1(c) of this Amendment is being attached hereto as Exhibit A. This summary does not purport to be complete and must be read in conjunction with the amendments described in Sections 1(b) and 1(c) of this Amendment. In the event of any conflict between the amendments described in Sections 1(b) and 1(c) of this Amendment and the summary attached hereto as Exhibit A, the amendments described in Sections 1(b) and 1(c) 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, doing business as Midland Loan Services, a Division of 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), 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. Representations and Warranties. 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.

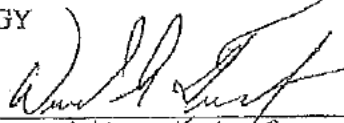
SECTION 8. Counterparts. This Amendment may be executed in counterparts of the parties hereof, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument. The parties may deliver such counterparts by facsimile or electronic transmission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

SECTION 9. Headings. 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.

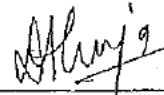
UNITED STATES DEPARTMENT OF  
ENERGY

By: 

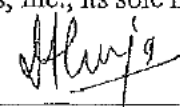
Name: DAVID FRANTZ  
Title: ACTING DIRECTOR,  
ATUM LOAN PROGRAM

[Signature Page to First Amendment to Loan Arrangement and Reimbursement Agreement]

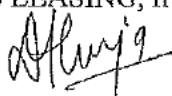
TESLA MOTORS, INC.

By:   
Name: Deepak Ahuja  
Title: CFO

TESLA MOTORS NEW YORK LLC

By: Tesla Motors, Inc., its sole member  
By:   
Name: Deepak Ahuja  
Title: CFO

TESLA MOTORS LEASING, INC.

By:   
Name: Deepak Ahuja  
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) | 3500 Deer Creek Road, Palo Alto, CA 94043 | tel (b) (6) | mobile (b) (6)  
**TESLA 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@hq.doe.gov](mailto:michael.mates@hq.doe.gov)

---

**From:** Tobias Kraus [[\(b\) \(6\)](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 | (b) (6) | 3500 Deer Creek Road, Palo Alto, CA 94043 | tel (b) (6) | mobile (b) (6)  
**TESLA MOTORS**

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

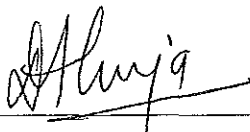
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of May 31, 2011 and such Financial Statements fairly present, in all material respects, the financial 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

*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)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja

Title: CFO

*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)(i)

Financial Statements

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)(i)

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

	<b>May-11</b> (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	93,736
Restricted cash	20,547
Accounts receivable, net	17,150
Inventory	52,723
Prepaid expenses and other current assets	8,134
<b>Total current assets</b>	<b>192,290</b>
Operating lease vehicles, net	10,035
Property and equipment, net	162,846
Restricted cash	5,039
Other assets	22,953
<b>Total assets</b>	<b>\$ 393,163</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 98,904
Accrued liabilities	18,014
Deferred revenue	3,344
Capital lease obligations, current portion	256
Refundable reservation payments	49,165
<b>Total current liabilities</b>	<b>109,683</b>
Common stock warrant liability	7,609
Capital lease obligations, less current portion	388
Long-term debt	124,881
Deferred revenue, less current portion	3,194
Other long-term liabilities	13,140
<b>Total liabilities</b>	<b>258,795</b>
<b>Stockholders' equity (deficit)</b>	
Common stock	96
Additional paid in capital	632,360
Accumulated deficit	(498,088)
<b>Total stockholders' equity (deficit)</b>	<b>134,368</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 393,163</b>

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.



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)(i)**

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

	May-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 14,644	\$ 55,583
Development services	3,853	24,106
<b>Total revenues</b>	<b>18,497</b>	<b>79,689</b>
<b>Cost of revenues</b>		
Automotive	11,660	44,055
Development services	3,416	11,365
<b>Total cost of revenues</b>	<b>14,976</b>	<b>55,420</b>
<b>Gross profit</b>	<b>3,521</b>	<b>24,269</b>
<b>Operating expenses</b>		
Research & development	14,617	68,131
Selling, general and administrative	7,516	37,501
<b>Total operating expenses</b>	<b>22,133</b>	<b>105,632</b>
<b>Operating loss</b>	<b>(18,612)</b>	<b>(81,363)</b>
Interest income	12	61
Interest expense	(267)	(514)
Other income (expense)	85	(1,139)
<b>Pre-tax loss</b>	<b>(18,802)</b>	<b>(82,955)</b>
Tax	1	152
<b>Net loss</b>	<b>\$ (18,803)</b>	<b>\$ (83,107)</b>

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 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)(i)

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

	May-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Cash flows from Operating activities</b>		
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	6,153
Change in fair value of warrant liability	-	1,421
Stock based compensation	-	5,926
Loss on abandonment of fixed assets	103	114
Inventory write-downs	-	382
Changes in operating assets and liabilities:		
Accounts receivable	(4,924)	(10,440)
Inventory	(456)	(10,720)
Prepaid expenses and other current assets	554	1,266
Operating lease vehicles	(804)	(2,603)
Other assets	16	(883)
Accounts payable and accrued liabilities	(3,805)	8,003
Other long term liabilities	-	867
Deferred revenue	(228)	(880)
Refundable reservation payments	4,967	18,410
Net cash used in operating activities	(21,889)	(65,591)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(11,227)	(50,634)
Withdrawals out of our dedicated Department of Energy account	13,660	53,050
Increase (decrease) in restricted cash deposits	-	(1,722)
Net cash used in investing activities	2,433	2,344
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	13,660	53,053
Proceeds from issuance of common stock	401	4,483
Principal payments on capital leases and other debt	(24)	(130)
Deferred issuance costs	19	19
Net cash provided by financing activities	14,056	57,425
Increase (decrease) in cash and cash equivalents	(5,400)	(5,822)
Cash and cash equivalents, beginning of period	99,136	99,558
Cash and cash equivalents, end of period	\$ 93,736	\$ 93,736

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 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)(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, 2011	\$192,290,000	
Total current liabilities as of May 31, 2011	\$60,518,000	<i>Covenant Requirement</i>
Current ratio as of May 31, 2011	<u>3.18</u>	> <u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of May 31, 2011	\$93,736,000	<i>Covenant Requirement</i>
		\$15,000,000
		<u>\$3,625,144</u> <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$93,736,000</u>	> <u>\$18,625,144</u>

*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)(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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:** RE: DOE Quarterly Financials and Report for Q1 2011  
**Attachments:** 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](mailto: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:

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 Procedures Report for September, October, November, and December 2010.

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

**Deepak Ahuja**  
(b) (6)

*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)).*

## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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. 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 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

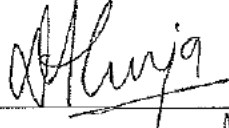
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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: DEEPAK AHUJA  
Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

**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 Balance Sheets  
 As of June 30, 2011 and December 31, 2010  
 (In thousands)

	Jun-11	Dec-10
	(Unaudited)	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 319,380	\$ 99,558
Restricted cash	11,251	73,597
Accounts receivable	23,308	6,710
Inventory	54,312	45,382
Prepaid expenses and other current assets	9,507	10,839
<b>Total current assets</b>	<b>417,758</b>	<b>235,886</b>
Operating lease vehicles, net	10,533	7,963
Property, plant, and equipment, net	189,647	114,636
Restricted cash	5,433	4,867
Other assets	22,784	22,730
<b>Total assets</b>	<b>\$ 646,155</b>	<b>\$ 386,082</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 57,199	\$ 28,951
Accrued liabilities	24,993	20,945
Deferred revenue	3,070	4,635
Capital lease obligations, current portion	287	279
Reservation payments	53,187	30,755
<b>Total current liabilities</b>	<b>138,736</b>	<b>85,565</b>
Common stock warrant liability	7,889	6,088
Capital lease obligations, less current portion	359	496
Deferred revenue, less current portion	3,226	2,783
Long-term debt	134,177	71,828
Other long-term liabilities	13,357	12,274
<b>Total liabilities</b>	<b>297,703</b>	<b>179,034</b>
<b>Stockholders' equity (deficit)</b>		
Common stock	104	95
Additional paid-in capital	871,174	621,935
Accumulated deficit	(522,826)	(414,982)
<b>Total stockholders' equity (deficit)</b>	<b>348,452</b>	<b>207,048</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 646,155</b>	<b>\$ 386,082</b>

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(d)(i)

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

	Three months ended June 30,		Six months ended June 30,	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
<b>Revenue</b>				
Automotive sales	\$ 39,028	\$ 23,971	\$ 72,666	\$ 44,556
Development services	19,143	4,434	34,840	4,661
Total revenues	58,171	28,405	107,201	49,217
<b>Cost of revenues</b>				
Automotive	30,528	20,266	57,489	37,124
Development services	9,135	1,870	13,176	1,980
Total cost of revenues	39,663	22,144	70,665	39,104
Gross profit	18,508	6,261	36,536	10,113
<b>Operating expenses</b>				
Research & development	62,531	15,416	93,693	26,681
Selling, general and administrative	24,716	22,207	48,928	38,792
Total operating expenses	77,247	37,623	142,621	67,473
Operating loss	(58,739)	(31,362)	(106,085)	(57,360)
Interest income	46	47	86	195
Interest expense	-	(464)	-	(694)
Other expense	(71)	(6,729)	(1,656)	(9,950)
Pre-tax loss	(58,764)	(38,508)	(107,555)	(67,909)
In tax	36	9	289	27
Net loss	\$ (58,903)	\$ (38,517)	\$ (107,844)	\$ (68,038)

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.

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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)
<b>Cash flows from Operating activities</b>				
Net loss	\$ (58,803)	\$ (38,517)	\$ (107,844)	\$ (68,036)
Adjustments to reconcile net loss to net cash used in provided by operating activities:				
Depreciation and amortization	4,317	2,489	7,336	4,624
Change in fair value of warrant liabilities	340	6,350	1,761	8,682
Stock-based compensation	6,926	8,116	12,852	9,602
Inventory writedowns	269	210	652	351
Other	218		229	
Changes in operating assets and liabilities:				
Accounts receivable	(1,040)	(635)	(16,699)	(2,970)
Inventories	(5,999)	(3,525)	(12,964)	(9,032)
Prepaid expenses and other current assets	(1,681)	(640)	(169)	(859)
Other assets	(9)	(759)	(375)	(608)
Accounts payable and accrued liabilities	18,375	4,991	26,119	1,464
Deferred development compensation				(156)
Deferred revenue	(614)	2,078	(1,129)	7,899
Reservation payments	13,774	257	22,431	198
Other long-term liabilities	205	1,485	1,093	649
Net cash used in operating activities	(22,488)	(20,247)	(65,785)	(47,576)
<b>Cash flows from Investing activities</b>				
Purchases of property and equipment	(64,314)	(9,816)	(74,790)	(18,287)
Decrease in restricted cash in dedicated DoE account	31,692	-	82,348	-
Decrease (increase) in other restricted cash	(600)	2,326	(609)	(1,781)
Net cash provided by (used in) investing activities	(23,122)	(7,689)	(13,011)	(17,068)
<b>Cash flows from Financing activities</b>				
Proceeds from issuance of common stock in public offering	172,420	-	172,423	-
Proceeds from issuance of common stock in private placement	59,058	-	59,058	-
Principal payments on capital leases and other debt	(60)	(78)	(129)	(188)
Proceeds from long term debt	31,693	15,499	62,349	45,419
Proceeds from exercise of stock options and other stock issuances	1,211	222	4,817	580
Deferred common stock and loan facility issuance costs		(1,949)		(3,523)
Net cash provided by financing activities	264,362	13,694	298,610	46,821
Increase (decrease) in cash and cash equivalents	218,752	(14,242)	219,622	(22,823)
Cash and cash equivalents, beginning of period	100,866	161,948	99,558	69,627
Cash and cash equivalents, end of period	\$ 319,618	\$ 147,706	\$ 319,180	\$ 46,804

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.

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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)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance as of December 31, 2010	94,908,370	\$ 95	\$ 621,935	\$ (414,982)	\$ 207,048
Issuance of common stock related to stock option exercises and ESPF	646,470	1	3,703		3,704
Stock-based compensation			6,926		6,926
Net loss				(48,941)	(48,941)
Balance as of March 31, 2011	95,554,840	\$ 96	\$ 631,564	\$ (463,923)	\$ 167,737
Proceeds from issuance of common stock in public offering	6,095,000	6	172,417		172,423
Proceeds from issuance of common stock in private placement	2,053,475	2	59,056		59,058
Issuance of common stock upon exercise of stock options	278,369	0	1,211		1,211
Stock-based compensation			6,926		6,926
Net loss				(58,903)	(58,903)
Balance at June 30, 2011	103,981,684	104	871,174	(522,826)	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)(i)

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

	U.S.	Canada	China	Spain	Italy	Denmark	Switzerland	France	Monaco	Germany	UK	Taiwan	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
Revenues																			
Automotive sales	\$ 2,295	\$ 29	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	
Development services	\$ 1,515	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Other revenue	\$ 1,515	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Total revenues	\$ 5,325	\$ 59	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065
Cost of revenues																			
Automotive sales	\$ 3,227	\$ 47	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353	\$ 1,353
Development services	\$ 1,712	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17	\$ 17
Other revenue	\$ 2,088	\$ 209	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025
Total cost of revenues	\$ 7,027	\$ 73	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395	\$ 2,395
Gross profit	\$ 3,100	\$ 276	\$ 232	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324	\$ 324
Operating expenses																			
Research and development	\$ 749	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74
Selling, general and administrative	\$ 428	\$ 37	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428	\$ 428
Depreciation and amortization	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155	\$ 155
Other operating expenses	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287	\$ 287
Total operating expenses	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619	\$ 1,619
Operating (loss) income	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481
Other expense (net)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)
Interest income	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
Loss before income taxes	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)	\$ (197)
Provision for income taxes	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)	\$ (103)
Net loss	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)

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.



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).  
 Exhibit 8.1(d)(1)

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

	US	Canada	Lebanon	Italy	Dominican Republic	Switzerland	France	Abu Dhabi	Germany	UK	Spain	Singapore	Hong Kong	Australia	Consolidated Total
Revenues															
Autonomous sales	15,938	212	132	322	322	384	364	550	758	3,832	52	78	49	18,918	
Other revenues															
Total revenues	15,938	212	132	322	322	384	364	550	758	3,832	52	78	49	18,918	
Cost of revenues															
Autonomous sales	10,206	154	100	272	272	324	304	470	640	2,934	40	54	34	12,374	
Other revenues															
Total cost of revenues	10,206	154	100	272	272	324	304	470	640	2,934	40	54	34	12,374	
Gross profit	5,732	58	32	50	50	60	60	80	118	900	12	24	15	6,544	
Operating expenses															
Autonomous sales	75,807	166	135	264	264	385	388	210	573	2,233	5	217	205	80,555	
Other revenues	(67,875)	(48)	(32)	(82)	(82)	(104)	(104)	(64)	(165)	(658)	(5)	(155)	(157)	(70,257)	
Total operating expenses	8,932	118	103	182	182	281	284	146	408	1,575	0	162	148	9,300	
Operating income	(3,160)	(60)	(71)	(132)	(132)	(121)	(124)	(66)	(290)	(685)	(12)	(138)	(133)	(4,756)	
Other expenses															
Autonomous sales	44	0	0	0	0	0	0	0	0	0	0	0	0	44	
Other revenues	(50,832)	(29)	(113)	(164)	(164)	(205)	(205)	(123)	(200)	(1,564)	(17)	(1,181)	(756)	(53,631)	
Loss before income taxes	(50,788)	(29)	(113)	(164)	(164)	(205)	(205)	(123)	(200)	(1,564)	(17)	(1,181)	(756)	(53,631)	
Income taxes															
Autonomous sales															
Other revenues															
Total income taxes															
Net loss	(50,788)	(29)	(113)	(164)	(164)	(205)	(205)	(123)	(200)	(1,564)	(17)	(1,181)	(756)	(53,631)	

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(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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:** Simi Gupta (b) (6)  
**Sent:** Wednesday, August 24, 2011 4:04 PM  
**To:** Mates, Michael  
**Cc:** Deepak Ahuja; Mike Taylor; Rex Liu; Tom vonReichbauer  
**Subject:** Tesla Motors Financial Statements for July 2011  
**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)

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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

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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: 

Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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)(i)

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

	Jul-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 12,618	\$ 85,274
Development services	4,849	39,394
<b>Total revenues</b>	<b>17,467</b>	<b>124,668</b>
<b>Cost of revenues</b>		
Automotive	10,222	67,710
Development services	3,449	16,625
<b>Total cost of revenues</b>	<b>13,671</b>	<b>84,335</b>
<b>Gross profit</b>	<b>3,796</b>	<b>40,333</b>
<b>Operating expenses</b>		
Research & development	11,992	105,685
Selling, general and administrative	7,028	55,955
<b>Total operating expenses</b>	<b>19,020</b>	<b>161,640</b>
<b>Operating loss</b>	<b>(15,224)</b>	<b>(121,307)</b>
Interest income	19	105
Interest expense	(308)	(308)
Other income (expense)	(44)	(1,601)
<b>Loss before income taxes</b>	<b>(15,557)</b>	<b>(123,111)</b>
Tax	-	291
<b>Net loss</b>	<b>\$ (15,556)</b>	<b>\$ (123,402)</b>

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 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)(i)

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

	Jul-11 (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 282,581
Restricted cash	11,251
Accounts receivable, net	13,523
Inventory	50,611
Prepaid expenses and other current assets	8,976
<b>Total current assets</b>	<b>376,942</b>
Operating lease vehicles, net	11,226
Property and equipment, net	202,544
Restricted cash	5,434
Other assets	22,808
<b>Total assets</b>	<b>\$ 618,954</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 40,777
Accrued liabilities	25,386
Deferred revenue	2,904
Capital lease obligations, current portion	275
Reservation payments	56,895
<b>Total current liabilities</b>	<b>126,237</b>
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
<b>Total liabilities</b>	<b>285,740</b>
<b>Stockholders' equity</b>	
Common stock	104
Additional paid in capital	871,493
Accumulated deficit	(638,383)
<b>Total stockholders' equity</b>	<b>333,214</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 618,954</b>

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(d)(i)

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

	Jul-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (15,558)	\$ (123,402)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,356	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	-	652
Changes in operating assets and liabilities:		
Accounts receivable	9,785	(6,813)
Inventory	859	(8,877)
Prepaid expenses and other current assets	531	689
Operating lease vehicles	(826)	(4,055)
Other assets	(24)	(399)
Accounts payable and accrued liabilities	(12,128)	13,991
Other long-term liabilities	358	1,441
Deferred revenue	29	(1,094)
Reservation payments	3,708	26,140
<b>Net cash used in operating activities</b>	<b>(11,910)</b>	<b>(77,694)</b>
<b>Cash flows from Investing activities</b>		
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)
<b>Net cash used in investing activities</b>	<b>(15,180)</b>	<b>(28,192)</b>
<b>Cash flows from Financing activities</b>		
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)
<b>Net cash provided by financing activities</b>	<b>291</b>	<b>298,909</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(26,799)</b>	<b>193,023</b>
Cash and cash equivalents, beginning of period	519,380	99,558
<b>Cash and cash equivalents, end of period</b>	<b>\$ 292,581</b>	<b>\$ 292,581</b>

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)(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	\$376,942,000	
Total current liabilities as of July 31, 2011	\$69,342,000	<i>Covenant Requirement</i>
Current ratio as of July 31, 2011	<u>5.44</u>	<u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of July 31, 2011	\$292,581,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$3,626,505 <i>Interest Expense Annualized</i>
Total Pro Forma Cash Balance	<u>\$292,581,000</u>	<u>\$18,626,505</u>

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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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

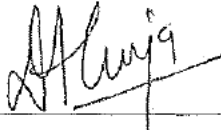
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of August 31, 2011 and such Financial Statements fairly present, in all material respects, the 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;
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

*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)).*

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: 

Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements



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)(1)

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

	Aug-11
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
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
<b>Total current assets</b>	<b>345,254</b>
Operating lease vehicles, net	11,391
Property and equipment, net	223,333
Restricted cash	5,674
Other assets	22,802
<b>Total assets</b>	<b>\$ 608,454</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 47,169
Accrued liabilities	22,133
Deferred revenue	2,557
Capital lease obligations, current portion	290
Reservation payments	61,306
<b>Total current liabilities</b>	<b>133,455</b>
Common stock warrant liability	7,849
Capital lease obligations, less current portion	326
Long-term debt	134,177
Deferred revenue, less current portion	3,409
Other long term liabilities	13,799
<b>Total liabilities</b>	<b>293,015</b>
<b>Stockholders' equity</b>	
Common stock	104
Additional paid in capital	873,968
Accumulated other comprehensive income (loss)	(45)
Accumulated deficit	(558,588)
<b>Total stockholders' equity</b>	<b>315,439</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 608,454</b>

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(d)(i)**

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

	Aug-11 (Unaudited)	YTD-2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 12,115	\$ 97,389
Development services	649	40,043
<b>Total revenues</b>	<b>12,764</b>	<b>137,432</b>
<b>Cost of revenues</b>		
Automotive	9,227	76,937
Development services	1,577	18,202
<b>Total cost of revenues</b>	<b>10,804</b>	<b>95,139</b>
<b>Gross profit</b>	<b>1,960</b>	<b>42,293</b>
<b>Operating expenses</b>		
Research & development	14,058	119,743
Selling, general and administrative	7,537	63,493
<b>Total operating expenses</b>	<b>21,595</b>	<b>183,236</b>
<b>Operating loss</b>	<b>(19,635)</b>	<b>(140,943)</b>
Interest income	28	133
Interest expense	(308)	(615)
Other income (expense)	(247)	(1,848)
<b>Loss before income taxes</b>	<b>(20,182)</b>	<b>(143,273)</b>
Tax	43	334
<b>Net loss</b>	<b>\$ (20,205)</b>	<b>\$ (143,607)</b>

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 eight Months ended August 31, 2011  
 (in thousands)

	Aug-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (20,205)	\$ (143,607)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,388	10,579
Change in fair value of warrant liability	-	1,761
Stock-based compensation	-	12,852
Loss on abandonment of fixed assets	10	239
Inventory writedowns	-	652
Changes in operating assets and liabilities:		
Accounts receivable	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)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(16,091)	(106,061)
Withdrawals out of our dedicated Department of Energy account	-	62,348
Investment in short-term marketable securities	(65,089)	(65,089)
Increase (decrease) in restricted cash deposits	(240)	(607)
Net cash used in investing activities	(81,420)	(109,614)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	62,349
Issuance of common stock from secondary offering	-	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	(2)	(158)
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.

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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	<i>Covenant Requirement</i>
Current ratio as of August 31, 2011	<u>4.79</u>	> 1.40

In accordance to Annex 9.1 (c) (ii)

Cash balance as of August 31, 2011	\$262,939,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$3,625,476 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$262,939,000</u>	> <u>\$18,625,476</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

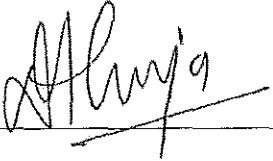
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of September 30, 2011 and such Financial Statements fairly present, in all material respects, 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 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

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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:  \_\_\_\_\_

Name: Deepak Ahuja \_\_\_\_\_

Title: CFO \_\_\_\_\_



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Exhibit 8.1(d)(i)

Financial Statements

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)(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)
<b>Revenue</b>		
Automotive sales	\$ 18,502	\$ 115,891
Development services	8,933	48,976
<b>Total revenues</b>	<b>27,435</b>	<b>164,867</b>
<b>Cost of revenues</b>		
Automotive sales	13,304	80,241
Development services	2,664	20,866
<b>Total cost of revenues</b>	<b>15,968</b>	<b>111,107</b>
<b>Gross profit</b>	<b>11,468</b>	<b>53,760</b>
<b>Operating expenses</b>		
Research & development	28,034	147,776
Selling, general and administrative	13,052	76,945
<b>Total operating expenses</b>	<b>41,087</b>	<b>224,321</b>
<b>Operating loss</b>	<b>(29,619)</b>	<b>(170,561)</b>
Interest income	33	166
Interest expense	615	(0)
Other income (expense)	(302)	(2,160)
<b>Loss before income taxes</b>	<b>(29,273)</b>	<b>(172,645)</b>
Tax	43	377
<b>Net loss</b>	<b>(29,315)</b>	<b>(172,922)</b>

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 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)(i)

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

	Sep-11 (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 213,320
Restricted cash	65,305
Short-term marketable securities	65,060
Accounts receivable	18,250
Inventory	49,216
Prepaid expenses and other current assets	10,962
<b>Total current assets</b>	<b>412,121</b>
Operating lease vehicles, net	11,672
Property and equipment, net	248,122
Restricted cash	5,754
Other assets	22,581
<b>Total assets</b>	<b>\$ 700,250</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 63,627
Accrued liabilities	32,684
Deferred revenue	2,267
Capital lease obligations, current portion	388
Reservation payments	65,216
<b>Total current liabilities</b>	<b>164,182</b>
Common stock warrant liability	8,189
Capital lease obligations, less current portion	661
Long-term debt	225,000
Deferred revenue, less current portion	3,536
Other long-term liabilities	14,665
<b>Total liabilities</b>	<b>406,132</b>
<b>Stockholders' equity</b>	
Common stock	104
Additional paid in capital	881,942
Accumulated other comprehensive income (loss)	(24)
Accumulated deficit	(587,903)
<b>Total stockholders' equity</b>	<b>294,118</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 700,250</b>

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.

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 3.1(d)(i)

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

	Sep-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (29,315)	\$ (172,922)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,536	12,115
Change in fair value of warrant liability	340	2,101
Discounts and premiums on short-term marketable securities	5	(132)
Stock based compensation	7,886	20,737
Loss on abandonment of fixed assets	(77)	162
Inventory writedowns	768	1,420
Changes in operating assets and liabilities:		
Accounts receivable	(7,009)	(11,540)
Inventory	2,758	(6,045)
Prepaid expenses and other current assets	(1,556)	(1,185)
Operating lease vehicles	(427)	(4,786)
Other assets	58	(335)
Accounts payable and accrued liabilities	26,826	37,998
Other long term liabilities	766	2,291
Deferred revenue	(163)	(1,616)
Reservation payments	3,910	34,460
Net cash used in operating activities	6,296	(87,277)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(37,593)	(143,834)
Withdrawals from (transfers into) our dedicated Department of Energy account	(44,054)	18,292
Purchases of short-term marketable securities	-	(64,952)
Decrease (increase) in restricted cash deposits	(80)	(887)
Net cash used in investing activities	(81,727)	(191,381)
<b>Cash flows from Financing activities</b>		
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	88	7,812
Principal payments on capital leases and other debt	(45)	(224)
Deferred issuance costs	-	(318)
Net cash provided by financing activities	90,865	392,228
Increase (decrease) in cash and cash equivalents	16,433	113,770
Cash and cash equivalents, beginning of period	197,895	99,558
Cash and cash equivalents, end of period	\$ 214,328	\$ 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.

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)(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, 2011	\$88,966,497	<i>Covenant Requirement</i>
Current ratio as of September 30, 2011	<u>4.63</u>	<u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of September 30, 2011	\$278,387,742	<i>Covenant Requirement</i>
		\$15,000,000
		\$4,807,798 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$278,387,742</u>	<u>\$19,807,798</u>

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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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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:** Deepak Ahuja; Rex Liu; Mike Taylor; Tobias Kraus  
**Subject:** 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 vonReichbauer | Director of Finance | (b) (6) | 3500 Deer Creek Road, Palo Alto, CA 94304 | tel (b) (6) | mobile  
 (b) (6) | fax (b) (6) |  
**TESLA MOTORS**

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## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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. 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 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



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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:                     Ahuja                    

Name:           DEEPAK AHUJA          

Title:           CFO

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Exhibit 8.1(d)(i)

Financial Statements

*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)(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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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

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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
	(Unaudited)	
<b>Assets</b>		
<b>Current Assets</b>		
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
<b>Total current assets</b>	<b>412,121</b>	<b>235,886</b>
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	22,681	22,730
<b>Total assets</b>	<b>\$ 700,250</b>	<b>\$ 386,082</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
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
<b>Total current liabilities</b>	<b>154,181</b>	<b>85,565</b>
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
<b>Total liabilities</b>	<b>406,132</b>	<b>179,034</b>
<b>Stockholders' equity (deficit)</b>		
Common stock	104	96
Additional paid-in capital	881,941	621,935
Accumulated other comprehensive loss	(24)	-
Accumulated deficit	(587,903)	(414,982)
<b>Total stockholders' equity</b>	<b>294,118</b>	<b>207,048</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 700,250</b>	<b>\$ 386,082</b>

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(d)(i)

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>				
Automotive sales	\$ 43,235	\$ 23,360	\$ 115,891	\$ 67,906
Development services	14,431	7,891	48,976	12,552
<b>Total revenues</b>	<b>57,666</b>	<b>31,241</b>	<b>164,867</b>	<b>80,458</b>
<b>Cost of revenues</b>				
Automotive sales	32,752	19,457	90,241	56,581
Development services	7,690	2,488	20,866	4,467
<b>Total cost of revenues</b>	<b>40,442</b>	<b>21,945</b>	<b>111,107</b>	<b>61,048</b>
<b>Gross profit</b>	<b>17,224</b>	<b>9,296</b>	<b>53,760</b>	<b>19,410</b>
<b>Operating expenses</b>				
Research & development	54,083	26,698	147,776	55,379
Selling, general and administrative	27,618	20,432	76,545	59,224
<b>Total operating expenses</b>	<b>81,701</b>	<b>47,130</b>	<b>224,321</b>	<b>114,603</b>
<b>Loss from operations</b>	<b>(64,477)</b>	<b>(37,834)</b>	<b>(170,561)</b>	<b>(95,193)</b>
Interest income	80	100	166	195
Interest expense	-	(298)	-	(992)
Other income (expense), net	(594)	3,180	(2,150)	(6,770)
<b>Loss before income taxes</b>	<b>(64,991)</b>	<b>(34,852)</b>	<b>(172,545)</b>	<b>(102,760)</b>
Provision for income taxes	87	83	377	210
<b>Net loss</b>	<b>\$ (65,078)</b>	<b>\$ (34,935)</b>	<b>\$ (172,922)</b>	<b>\$ (102,970)</b>

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.

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Exhibit 8.1(d)(i)

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>				
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	4,260	3,109	12,116	7,733
Change in fair value of warrant liabilities	340	(3,072)	2,101	5,610
Stock based compensation	7,885	3,811	20,737	13,313
Inventory writedowns	768	301	1,420	652
Other	(199)	-	30	-
Changes in operating assets and liabilities:				
Accounts receivable	5,058	(1,597)	(11,540)	(4,575)
Inventories	2,133	(13,837)	(10,831)	(22,869)
Prepaid expenses and other current assets	(1,343)	(2,253)	(1,185)	(3,109)
Other assets	40	(312)	(335)	(818)
Accounts payable and accrued liabilities	11,881	4,378	37,999	5,862
Deferred development compensation	-	-	-	(156)
Deferred revenue	(493)	(4,225)	(1,616)	3,374
Reservation payments	12,029	1,623	34,460	1,821
Other long-term liabilities	1,208	1,051	2,291	2,599
Net cash used in operating activities	(21,491)	(45,957)	(87,276)	(93,533)
<b>Cash flows from Investing activities</b>				
Purchases of marketable securities	(64,952)	-	(64,952)	-
Payments related to acquisition of Fremont manufacturing facility	-	(58,710)	-	(58,710)
Purchases of property and equipment	(68,844)	(7,768)	(143,634)	(23,055)
Decrease in restricted cash in dedicated DoE account	-	11,870	62,346	11,870
Increase in restricted cash in dedicated DoE account	(44,054)	(100,000)	(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)
<b>Cash flows from Financing activities</b>				
Proceeds from issuance of common stock in public	(13)	188,842	172,410	188,842
Proceeds from issuance of common stock in private placement	-	50,000	59,058	50,000
Principal payments on capital leases and other debt	(96)	(78)	(225)	(233)
Proceeds from long term debt	90,823	11,138	153,172	56,557
Proceeds from exercise of stock options and other stock issuances	2,895	161	7,812	741
Deferred common stock and loan facility issuance costs	-	(188)	-	(3,691)
Net cash provided by financing activities	93,609	249,895	392,227	282,216
Increase (decrease) in cash and cash equivalents	(106,052)	49,259	113,770	26,936
Cash and cash equivalents, beginning of period	319,380	47,304	99,558	69,627
Cash and cash equivalents, end of period	\$ 213,328	\$ 96,563	\$ 213,328	\$ 96,563

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.

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Exhibit B.1(d)(i)

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

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2010	84,908,370	85	\$ 821,985	\$ (414,982)	\$ -	\$ 207,048
Proceeds from issuance of common stock in public offering	6,095,000	6	72,723	-	-	172,729
Proceeds from issuance of common stock in private placement	2,053,475	2	59,056	-	-	59,068
Issuance of common stock upon exercise of stock options & ESPP	1,131,986	1	7,795	-	-	7,796
Stock-based compensation	-	-	20,737	-	-	20,737
Capitalize S-1 filing cost	-	-	(804)	-	-	(804)
Gain/(Loss) on investment securities	-	-	-	-	(24)	(24)
Net loss	-	-	-	(172,922)	-	(172,922)
Balance at September 30, 2011	104,188,831	104	881,941	(587,903)	(24)	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.



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Exhibit 8.1(d)(i)

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

	US	Canada	Leasing	Netherlands	Italy	Denmark	Switzerland	France	Monaco	Germany	UK	Taiwan	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total
<b>Assets</b>																		
<b>Current Assets</b>																		
Cash and cash equivalents	\$ 203,858	\$ 499	\$ 816	\$ 42	\$ 242	\$ 473	\$ 379	\$ 116	\$ 336	\$ 1,236	\$ 2,243	\$ -	\$ -	\$ 1,056	\$ 675	\$ 669	\$ -	\$ 213,328
Short-term marketable securities	65,080	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	65,080
Restricted cash	55,305	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	55,305
Accounts receivable	10,280	8	11	-	4	8	31	-	-	100	7,800	-	-	-	5	2	-	18,250
Inventory	44,652	-	-	-	140	400	915	269	128	1,399	1,216	-	-	-	596	18	(107)	48,216
Prepaid expenses and other current assets	7,096	203	7	0	159	43	35	113	105	862	1,003	-	37	109	367	48	-	10,932
Intercompany Receivables	44,720	48	407	-	368	679	4,711	730	1,730	730	30,811	-	-	-	-	-	-	83,224
<b>Total current assets</b>	<b>437,638</b>	<b>750</b>	<b>1,041</b>	<b>42</b>	<b>943</b>	<b>1,800</b>	<b>6,776</b>	<b>1,219</b>	<b>2,348</b>	<b>4,327</b>	<b>45,874</b>	<b>14</b>	<b>37</b>	<b>1,175</b>	<b>1,643</b>	<b>686</b>	<b>(82,337)</b>	<b>412,121</b>
Operating lease vehicles, net	-	1,413	11,126	-	-	-	-	-	315	500	767	-	-	-	-	-	-	12,479
Property, plant and equipment, net	245,681	98	-	-	162	38	137	17	27	238	522	-	-	8	1,018	80	150	248,122
Restricted cash	5,754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,754
Other assets	21,481	-	-	-	50	80	-	211	-	54	289	-	-	-	414	-	-	22,581
Investment in Subsidiaries	293	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(289)	0
<b>Total assets</b>	<b>\$ 701,025</b>	<b>\$ 2,251</b>	<b>\$ 12,167</b>	<b>\$ 42</b>	<b>\$ 1,145</b>	<b>\$ 1,915</b>	<b>\$ 8,912</b>	<b>\$ 1,447</b>	<b>\$ 2,680</b>	<b>\$ 5,150</b>	<b>\$ 45,452</b>	<b>\$ 14</b>	<b>\$ 37</b>	<b>\$ 1,185</b>	<b>\$ 3,075</b>	<b>\$ 686</b>	<b>\$ (84,953)</b>	<b>\$ 700,250</b>
<b>Liabilities and Stockholders' Equity</b>																		
<b>Current Liabilities</b>																		
Accounts Payable	\$ 53,018	\$ -	\$ 6	\$ -	\$ 36	\$ 95	\$ 166	\$ (4)	\$ 184	\$ (66)	\$ 244	\$ -	\$ -	\$ -	\$ 219	\$ -	\$ -	\$ 53,827
Accrued liabilities	31,091	47	36	22	58	80	203	73	61	642	747	-	1	13	193	47	(870)	32,685
Deferred revenue	1,132	96	1,654	-	-	-	-	-	70	125	190	-	-	-	-	-	-	2,267
Capital lease obligations, current portion	388	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	388
Reservation payments	62,398	323	-	18	-	-	30	78	31	85	813	-	-	95	1,585	94	-	65,215
Intercompany Payables	15	1,639	10,639	-	1,262	2,179	7,283	1,662	2,513	3,481	46,066	-	89	1,184	3,270	901	(82,226)	0
<b>Total Current Liabilities</b>	<b>145,011</b>	<b>2,098</b>	<b>11,353</b>	<b>38</b>	<b>1,367</b>	<b>2,333</b>	<b>7,702</b>	<b>1,830</b>	<b>2,655</b>	<b>4,525</b>	<b>47,761</b>	<b>-</b>	<b>91</b>	<b>1,283</b>	<b>5,049</b>	<b>1,044</b>	<b>(83,125)</b>	<b>164,991</b>
Common stock warrant liability	8,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,189
Capital lease obligations, less current portion	661	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	661
Deferred revenue, less current portion	2,432	93	1,579	-	-	-	-	-	66	129	233	-	-	-	-	-	-	3,538
Long term debt	225,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,000
Other long term liabilities	2,907	31	-	-	-	-	-	215	353	460	-	-	-	-	-	-	553	3,456
<b>Total liabilities</b>	<b>397,198</b>	<b>2,223</b>	<b>11,933</b>	<b>38</b>	<b>1,367</b>	<b>2,333</b>	<b>7,702</b>	<b>1,830</b>	<b>3,139</b>	<b>5,017</b>	<b>48,454</b>	<b>-</b>	<b>91</b>	<b>1,283</b>	<b>5,049</b>	<b>1,044</b>	<b>(82,540)</b>	<b>406,132</b>
<b>Stockholders' equity</b>																		
Common Stock	764	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	764
Additional paid in capital	881,665.4	-	-	-	-	-	-	-	-	73	-	-	-	-	-	-	-	881,941
Use capital investment in subsidiaries	-	-	-	22	14	23	19	25	22	33	96	15	20	-	57	1	(294)	0
Accumulated other comprehensive loss	(24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24)
Accumulated deficit	(575,421)	38	234	(25)	(228)	(431)	(609)	(408)	(471)	700	(3,112)	(71)	(74)	(179)	(2,031)	(359)	(2,118)	(587,603)
<b>Total stockholders' equity</b>	<b>303,827</b>	<b>38</b>	<b>234</b>	<b>(21)</b>	<b>(212)</b>	<b>(418)</b>	<b>(790)</b>	<b>(382)</b>	<b>(449)</b>	<b>132</b>	<b>(3,003)</b>	<b>14</b>	<b>(54)</b>	<b>(79)</b>	<b>(1,974)</b>	<b>(359)</b>	<b>(2,413)</b>	<b>294,118</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 701,025</b>	<b>\$ 2,261</b>	<b>\$ 12,167</b>	<b>\$ 42</b>	<b>\$ 1,145</b>	<b>\$ 1,915</b>	<b>\$ 8,912</b>	<b>\$ 1,447</b>	<b>\$ 2,680</b>	<b>\$ 5,150</b>	<b>\$ 45,452</b>	<b>\$ 14</b>	<b>\$ 37</b>	<b>\$ 1,185</b>	<b>\$ 3,075</b>	<b>\$ 686</b>	<b>\$ (84,953)</b>	<b>\$ 700,250</b>

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Exhibit 8.1(d)(i)

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

	US	Canada	Leasing	Netherlands	Italy	Denmark	Switzerland	France	Monaco	Germany	UK	Taiwan	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 36,877	\$ 1,802	\$ 1,927	\$ -	\$ 342	\$ 281	\$ 6,719	\$ 311	\$ 528	\$ 7,673	\$ 51,709	\$ -	\$ -	\$ 3,231	\$ 3,741	\$ 847	\$ -	\$ 115,291	
Development services	48,076	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,076	
Intercompany revenue	77,564	-	113	-	805	1,104	-	517	797	148	1,371	-	-	-	-	-	(62,411)	(6)	
<b>Total revenues</b>	<b>162,217</b>	<b>1,802</b>	<b>1,940</b>	<b>-</b>	<b>1,147</b>	<b>1,385</b>	<b>6,719</b>	<b>826</b>	<b>1,313</b>	<b>8,022</b>	<b>53,080</b>	<b>-</b>	<b>-</b>	<b>3,231</b>	<b>3,741</b>	<b>847</b>	<b>(62,407)</b>	<b>164,267</b>	
<b>Cost of revenues</b>																			
Automotive sales	68,056	248	1,499	-	0	27	266	2	45	159	502	-	-	-	134	41	(708)	90,241	
Development services	20,868	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,868	
Intercompany COGS	4,816	1,176	113	-	725	1,025	6,026	568	586	6,838	48,634	-	-	2,704	3,138	718	(77,070)	0	
<b>Total cost of revenues</b>	<b>113,750</b>	<b>1,426</b>	<b>1,572</b>	<b>-</b>	<b>725</b>	<b>1,052</b>	<b>6,293</b>	<b>571</b>	<b>833</b>	<b>6,688</b>	<b>49,136</b>	<b>-</b>	<b>-</b>	<b>2,704</b>	<b>3,271</b>	<b>756</b>	<b>(77,778)</b>	<b>111,107</b>	
<b>Gross profit</b>	<b>49,468</b>	<b>378</b>	<b>368</b>	<b>-</b>	<b>422</b>	<b>333</b>	<b>426</b>	<b>257</b>	<b>380</b>	<b>1,324</b>	<b>3,944</b>	<b>-</b>	<b>-</b>	<b>527</b>	<b>470</b>	<b>91</b>	<b>(4,029)</b>	<b>53,760</b>	
<b>Operating expenses</b>																			
Research & development	146,164	-	-	-	-	-	-	116	-	10	1,851	-	-	-	-	-	(183)	147,776	
Selling, general and administrative	64,622	447	53	24	657	805	1,387	572	1,007	1,500	6,300	-	-	85	635	2,299	488	(5,058)	76,545
<b>Total operating expenses</b>	<b>210,806</b>	<b>447</b>	<b>53</b>	<b>24</b>	<b>657</b>	<b>805</b>	<b>1,387</b>	<b>688</b>	<b>1,007</b>	<b>1,600</b>	<b>8,581</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>635</b>	<b>2,299</b>	<b>488</b>	<b>(5,239)</b>	<b>224,321</b>
<b>Loss from operations</b>	<b>(161,338)</b>	<b>(68)</b>	<b>315</b>	<b>(24)</b>	<b>(235)</b>	<b>(472)</b>	<b>(961)</b>	<b>(429)</b>	<b>(627)</b>	<b>(276)</b>	<b>(4,637)</b>	<b>0</b>	<b>(85)</b>	<b>(100)</b>	<b>(1,829)</b>	<b>(395)</b>	<b>610</b>	<b>(170,961)</b>	
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest income	161	-	-	-	0	-	0	-	-	0	-	-	-	-	0	5	-	166	
Other income (expense), net	(1,947)	68	0	0	(5)	14	125	3	25	34	(148)	(1)	-	(1)	(189)	24	(160)	(2,150)	
<b>Loss before income taxes</b>	<b>(163,125)</b>	<b>(4)</b>	<b>315</b>	<b>(25)</b>	<b>(240)</b>	<b>(459)</b>	<b>(836)</b>	<b>(416)</b>	<b>(602)</b>	<b>(242)</b>	<b>(4,783)</b>	<b>(1)</b>	<b>(85)</b>	<b>(110)</b>	<b>(2,019)</b>	<b>(366)</b>	<b>450</b>	<b>(172,545)</b>	
Provision for income taxes	(180)	32	-	-	6	7	8	5	39	(3)	(3)	-	-	5	104	9	(211)	377	
<b>Net loss</b>	<b>\$ (162,572)</b>	<b>\$ (36)</b>	<b>\$ 315</b>	<b>\$ (25)</b>	<b>\$ (246)</b>	<b>\$ (466)</b>	<b>\$ (843)</b>	<b>\$ (420)</b>	<b>\$ (502)</b>	<b>\$ (286)</b>	<b>\$ (4,780)</b>	<b>\$ (1)</b>	<b>\$ (86)</b>	<b>\$ (117)</b>	<b>\$ (2,123)</b>	<b>\$ (374)</b>	<b>\$ 139</b>	<b>\$ (172,922)</b>	

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(d)(i)

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

	US	Canada	Leasing	Netherlands	Italy	Denmark	Switzerland	France	Monaco	Germany	UK	Taiwan	Singapore	Hong Kong	Japan	Australia	IC elimination	Consolidated Total
<b>Revenues</b>																		
Automotive sales	\$ 15,814	\$ 411	\$ 701	\$ -	\$ 206	\$ 137	\$ 618	\$ -	\$ 16	\$ 2,890	\$ 16,873	\$ -	\$ -	\$ 527	\$ 881	\$ 182	\$ (120)	\$ 43,239
Development services	14,431	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,431
Intercompany revenue	27,402	-	-	-	262	270	-	148	282	749	418	-	-	-	-	-	(26,932)	0
<b>Total revenues</b>	<b>57,647</b>	<b>411</b>	<b>701</b>	<b>-</b>	<b>468</b>	<b>407</b>	<b>618</b>	<b>150</b>	<b>298</b>	<b>3,639</b>	<b>18,291</b>	<b>-</b>	<b>-</b>	<b>527</b>	<b>881</b>	<b>182</b>	<b>(26,954)</b>	<b>57,666</b>
<b>Cost of revenues</b>																		
Automotive sales	32,239	150	595	0	24	24	98	28	28	62	289	-	-	54	10	10	(695)	32,752
Development services	7,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,930
Intercompany COGS	1,560	147	-	-	370	390	3,150	265	280	2,775	18,446	-	-	419	822	155	(29,793)	0
<b>Total cost of revenues</b>	<b>41,729</b>	<b>308</b>	<b>595</b>	<b>-</b>	<b>370</b>	<b>404</b>	<b>3,356</b>	<b>265</b>	<b>308</b>	<b>2,840</b>	<b>18,735</b>	<b>-</b>	<b>-</b>	<b>419</b>	<b>836</b>	<b>165</b>	<b>(29,448)</b>	<b>40,442</b>
<b>Gross profit</b>	<b>16,168</b>	<b>103</b>	<b>136</b>	<b>-</b>	<b>98</b>	<b>3</b>	<b>(168)</b>	<b>(105)</b>	<b>(10)</b>	<b>299</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>125</b>	<b>17</b>	<b>394</b>	<b>17,224</b>
<b>Operating expenses</b>																		
Research & development	59,734	-	-	-	-	-	-	60	-	10	461	-	-	-	-	-	(189)	59,095
Selling, general and administrative	21,380	26	17	24	229	270	677	153	436	585	2,867	-	-	23	786	154	0	27,818
<b>Total operating expenses</b>	<b>75,114</b>	<b>151</b>	<b>17</b>	<b>24</b>	<b>229</b>	<b>270</b>	<b>677</b>	<b>214</b>	<b>436</b>	<b>594</b>	<b>3,058</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>735</b>	<b>154</b>	<b>(183)</b>	<b>81,701</b>
<b>Loss from operations</b>	<b>(58,849)</b>	<b>(58)</b>	<b>119</b>	<b>(24)</b>	<b>(131)</b>	<b>(267)</b>	<b>(845)</b>	<b>(319)</b>	<b>(446)</b>	<b>(255)</b>	<b>(3,002)</b>	<b>0</b>	<b>0</b>	<b>(123)</b>	<b>(610)</b>	<b>(137)</b>	<b>977</b>	<b>(64,477)</b>
<b>Interest expense</b>																		
Interest income	77	0	-	-	0	-	0	-	-	-	-	-	-	-	-	3	-	80
<b>Other income (expense), net</b>	<b>(865)</b>	<b>81</b>	<b>0</b>	<b>(0)</b>	<b>25</b>	<b>27</b>	<b>(46)</b>	<b>23</b>	<b>43</b>	<b>34</b>	<b>(48)</b>	<b>(1)</b>	<b>2</b>	<b>(1)</b>	<b>(160)</b>	<b>35</b>	<b>(31)</b>	<b>(694)</b>
<b>Loss before income taxes</b>	<b>(58,869)</b>	<b>(58)</b>	<b>119</b>	<b>(25)</b>	<b>(107)</b>	<b>(239)</b>	<b>(700)</b>	<b>(296)</b>	<b>(402)</b>	<b>(231)</b>	<b>(2,963)</b>	<b>(1)</b>	<b>2</b>	<b>(124)</b>	<b>(770)</b>	<b>(99)</b>	<b>546</b>	<b>(64,951)</b>
<b>Provision for income taxes</b>																		
															43	1	43	87
<b>Net loss</b>	<b>\$ (58,869)</b>	<b>\$ (58)</b>	<b>\$ 119</b>	<b>\$ (25)</b>	<b>\$ (107)</b>	<b>\$ (239)</b>	<b>\$ (700)</b>	<b>\$ (296)</b>	<b>\$ (402)</b>	<b>\$ (231)</b>	<b>\$ (2,963)</b>	<b>\$ (1)</b>	<b>\$ 2</b>	<b>\$ (124)</b>	<b>\$ (814)</b>	<b>\$ (100)</b>	<b>\$ 593</b>	<b>\$ (65,078)</b>

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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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

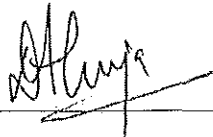
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of October 31, 2011 and such Financial Statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as at the date indicated and the results of their operations and their 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

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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:  \_\_\_\_\_

Name: Deepak Ahuja \_\_\_\_\_

Title: CFO \_\_\_\_\_

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Exhibit 8.1(d)(i)

Financial Statements

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)(i)

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

	Oct-11
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 179,840
Restricted cash	55,305
Short-term marketable securities	64,915
Accounts receivable	20,839
Inventory	48,620
Prepaid expenses and other current assets	13,075
<b>Total current assets</b>	<b>382,594</b>
Operating lease vehicles, net	11,627
Property and equipment, net	257,542
Restricted cash	6,124
Other assets	22,602
<b>Total assets</b>	<b>\$ 680,488</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 48,906
Accrued liabilities	28,671
Deferred revenue	2,142
Capital lease obligations, current portion	378
Reservation payments	75,203
<b>Total current liabilities</b>	<b>155,300</b>
Common 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
<b>Total liabilities</b>	<b>406,997</b>
<b>Stockholders' equity</b>	
Common stock	104
Additional paid in capital	882,648
Accumulated other comprehensive income (loss)	(164)
Accumulated deficit	(609,097)
<b>Total stockholders' equity</b>	<b>273,491</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 680,488</b>

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(d)(i)**

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

	Oct-11 (Unaudited)	YTD 2011 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 11,018	\$ 126,909
Development services	416	49,393
<b>Total revenues</b>	<b>11,435</b>	<b>176,302</b>
<b>Cost of revenues</b>		
Automotive sales	8,105	98,346
Development services	127	20,993
<b>Total cost of revenues</b>	<b>8,232</b>	<b>119,339</b>
<b>Gross profit</b>	<b>3,203</b>	<b>56,962</b>
<b>Operating expenses</b>		
Research & development	16,990	164,766
Selling, general and administrative	7,005	83,550
<b>Total operating expenses</b>	<b>23,995</b>	<b>248,316</b>
<b>Operating loss</b>	<b>(20,793)</b>	<b>(191,354)</b>
Interest income	31	197
Interest expense	(406)	(406)
Other income (expense)	(27)	(2,177)
<b>Loss before income taxes</b>	<b>(21,194)</b>	<b>(193,740)</b>
Tax		377
<b>Net loss</b>	<b>\$ (21,194)</b>	<b>\$ (194,116)</b>

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, 2011  
 (in thousands)

	Oct-11	YTD 2011
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (21,194)	\$ (194,116)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,462	19,577
Change in fair value of warrant liability	-	2,101
Discounts and premiums on short-term marketable securities	4	(127)
Stock based compensation	-	20,737
Loss on abandonment of fixed assets	(7)	155
Inventory writedowns	-	1,420
Changes in operating assets and liabilities:		
Accounts receivable	(2,589)	(14,129)
Inventory	595	(5,449)
Prepaid 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)	(4,018)
Other long term liabilities	(355)	1,936
Deferred revenue	(5)	(1,621)
Reservation payments	9,988	44,448
Net cash used in operating activities	(18,519)	(105,795)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(15,279)	(158,913)
Withdrawals 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)	(1,267)
Net cash used in investing activities	(15,649)	(206,830)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	153,172
Issuance of common stock from secondary offering	-	172,728
Issuance of common stock in concurrent private placement	-	69,058
Other issuances of common stock	707	8,519
Principal payments on capital leases and other debt	(27)	(252)
Deferred issuance costs	-	(318)
Net cash provided by financing activities	680	392,907
Increase (decrease) in cash and cash equivalents	(33,488)	80,282
Cash and cash equivalents, beginning of period	213,328	99,556
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.

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**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		<i>Covenant Requirement</i>
Current ratio as of October 31, 2011	<u>4.78</u>	>	1.40

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of October 31, 2011	\$244,755,161		<i>Covenant Requirement</i>
			\$15,000,000
			\$5,044,602 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$244,755,161</u>	>	<u>\$20,044,602</u>

*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)(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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

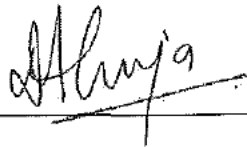
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of January 31, 2012 and such Financial Statements fairly present, in all material respects, the 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 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

*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)).*

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: 

Name: Deepak Ahuja

Title: CFO

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)(i)

Tesla Motors, Inc.  
Consolidated Balance Sheet  
As of January 31, 2012  
(In thousands)

	1/31/2012
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 209,022
Restricted cash	22,978
Short-term marketable securities	25,044
Accounts receivable	7,221
Inventory	51,887
Prepaid expenses and other current assets	9,748
<b>Total current assets</b>	<b>325,900</b>
Operating lease vehicles, net	11,550
Property and equipment, net	312,658
Restricted cash	7,881
Other assets	22,363
<b>Total assets</b>	<b>\$ 680,352</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 46,090
Accrued liabilities	28,777
Deferred revenue	1,611
Capital lease obligations, current portion	1,597
Reservation payments	96,374
Current portion of long term debt	7,916
<b>Total current liabilities</b>	<b>182,365</b>
Common stock warrant liability	8,838
Capital lease obligations, less current portion	2,812
Long-term debt, less current portion	268,335
Deferred revenue, less current portion	3,590
Other long term liabilities	14,952
<b>Total liabilities</b>	<b>480,891</b>
<b>Stockholders' equity</b>	
Common stock	105
Additional paid in capital	893,618
Accumulated other comprehensive income (loss)	1
Accumulated deficit	(694,263)
<b>Total stockholders' equity</b>	<b>199,461</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 680,352</b>

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.



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)(i)**

Tesla Motors, Inc  
 Consolidated Statements of Operations  
 For the Month ended January 31, 2012  
 (In thousands)

	Jan-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 2,297	\$ 2,297
Development services	642	642
<b>Total revenues</b>	<b>2,939</b>	<b>2,939</b>
<b>Cost of revenues</b>		
Automotive sales	1,963	1,963
Development services	1,151	1,151
<b>Total cost of revenues</b>	<b>3,114</b>	<b>3,114</b>
<b>Gross profit</b>	<b>(175)</b>	<b>(175)</b>
<b>Operating expenses</b>		
Research & development	16,603	16,603
Selling, general and administrative	7,609	7,609
<b>Total operating expenses</b>	<b>24,212</b>	<b>24,212</b>
<b>Operating loss</b>	<b>(24,387)</b>	<b>(24,387)</b>
Interest income	31	31
Interest expense	(461)	(461)
Other income (expense)	(55)	(55)
<b>Loss before income taxes</b>	<b>(24,871)</b>	<b>(24,871)</b>
Tax		
<b>Net loss</b>	<b>\$ (24,871)</b>	<b>\$ (24,871)</b>

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 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)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Cash Flows  
 For the Month ended January 31, 2012  
 (In thousands)

	Jan-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (24,871)	\$ (24,871)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,105	1,105
Discounts and premiums on short-term marketable securities	14	14
Non-cash charges related to fixed assets	100	100
Changes in operating assets and liabilities:		
Accounts receivable	2,318	2,318
Inventory	(3,008)	(3,008)
Prepaid expenses and other current assets	(40)	(40)
Other assets	8	8
Accounts payable	(9,144)	(9,144)
Accrued liabilities	(1,409)	(1,409)
Other long term liabilities	37	37
Deferred revenue	(289)	(289)
Reservation payments	4,612	4,612
Net cash used in operating activities	<u>(30,588)</u>	<u>(30,588)</u>
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(18,476)	(18,476)
Withdrawals from (transfers into) our dedicated Department of Energy account	(1)	(1)
Investment in short-term 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	<u>(15,783)</u>	<u>(15,783)</u>
<b>Cash flows from Financing activities</b>		
Other issuances of common stock	282	282
Principal payments on capital leases and other debt	(177)	(177)
Net cash provided by financing activities	<u>105</u>	<u>105</u>
Increase (decrease) in cash and cash equivalents	(46,244)	(46,244)
Cash and cash equivalents, beginning of period	255,266	255,266
Cash and cash equivalents, end of period	<u>\$ 209,022</u>	<u>\$ 209,022</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.

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)(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	<i>Covenant Requirement</i>
Current ratio as of January 31, 2012	<u>3.79</u>	<u>1.40</u>

In accordance to Annex 9.1 (c) (ii)

Cash balance as of January 31, 2012	\$234,066,000	<i>Covenant Requirement</i>
		\$15,000,000
		\$5,785,954 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$234,066,000</u>	<u>\$20,785,954</u>

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Exhibit 8.1(d)(i)

Financial Statements

*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)(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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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:** Friday, March 30, 2012 2:08:40 PM  
**Attachments:** [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)

*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)).*

## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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

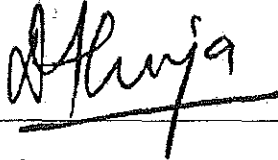
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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: 

Name: Deepak Ahuja

Title: CFO

*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)(i)

Financial Statements

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)(i)

**Tesla Motors, Inc.**  
**Consolidated Balance Sheet**  
**As of February 29, 2012**  
**(In thousands)**

	<b>2/29/2012</b>
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
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
<b>Total current assets</b>	<b>303,917</b>
Operating lease vehicles, net	11,516
Property and equipment, net	330,802
Restricted cash	8,231
Other assets	22,522
<b>Total assets</b>	<b>\$ 676,988</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 43,781
Accrued liabilities	25,549
Deferred revenue	1,744
Capital lease obligations, current portion	2,621
Reservation payments	107,885
Current portion of long term debt	7,916
<b>Total current liabilities</b>	<b>189,462</b>
Common stock warrant liability	8,838
Capital lease obligations, less current portion	2,773
Long-term debt, less current portion	282,587
Deferred revenue, less current portion	3,657
Other long-term liabilities	15,155
<b>Total liabilities</b>	<b>502,570</b>
<b>Stockholders' equity</b>	
Common stock	105
Additional paid in capital	899,083
Accumulated other comprehensive income (loss)	(6)
Accumulated deficit	(724,764)
<b>Total stockholders' equity</b>	<b>174,418</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 676,988</b>

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.

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)(i)**

Tesla Motors, Inc  
 Consolidated Statements of Operations  
 For the Month and two months ended February 29, 2012  
 (In thousands)

	Feb. 12 (Unaudited)	YTD 2012 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 3,828	\$ 6,125
Development services	1,454	2,096
<b>Total revenues</b>	<b>5,282</b>	<b>8,221</b>
<b>Cost of revenues</b>		
Automotive sales	2,769	4,752
Development services	1,154	2,305
<b>Total cost of revenues</b>	<b>3,943</b>	<b>7,057</b>
<b>Gross profit</b>	<b>1,339</b>	<b>1,164</b>
<b>Operating expenses</b>		
Research & development	21,947	38,551
Selling, general and administrative	8,552	16,161
<b>Total operating expenses</b>	<b>30,500</b>	<b>54,712</b>
<b>Operating loss</b>	<b>(29,161)</b>	<b>(53,548)</b>
Interest income	29	60
Interest expense	(445)	(906)
Other income (expense)	(923)	(978)
<b>Loss before income taxes</b>	<b>(30,500)</b>	<b>(55,371)</b>
Tax		
<b>Net loss</b>	<b>\$ (30,500)</b>	<b>\$ (55,371)</b>

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 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)(i)

Tesla Motors, Inc.  
Consolidated Statement of Cash Flows  
For the Month and two months ended February 29, 2012  
(in thousands)

	Feb 12 (Unaudited)	YTD 2012 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (30,500)	\$ (55,371)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,326	2,589
Discounts and premiums on short-term marketable securities	14	28
Non cash charges related to fixed assets	68	158
Changes in operating assets and liabilities:		
Accounts receivable	3,906	6,224
Inventory	158	(2,851)
Prepaid expenses and other current assets	(500)	(540)
Operating lease vehicles	(103)	(103)
Other assets	(459)	(151)
Accounts payable	(2,309)	(11,453)
Accrued liabilities	(3,228)	(4,832)
Other long term liabilities	203	240
Deferred revenue	166	(123)
Reservation payments	11,511	16,124
Net cash used in operating activities	(19,458)	(49,866)
<b>Cash flows from investing activities</b>		
Purchases of property and equipment, excluding capital leases	(18,343)	(34,972)
Withdrawals from (transfers into) our dedicated Department of Energy account	(3,457)	(3,459)
Investment in short-term marketable securities	-	(14,992)
Maturities of short-term marketable securities	-	15,000
Decrease (increase) in restricted cash deposits	(850)	(164)
Net cash provided by (used in) investing activities	(22,650)	(38,592)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	14,352	14,352
Other issuances of common stock	5,465	5,747
Principal payments on capital leases and other debt	(64)	(241)
Net cash provided by financing activities	19,752	19,857
Increase (decrease) in cash and cash equivalents	(22,356)	(68,601)
Cash and cash equivalents, beginning of period	209,022	255,266
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.

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)(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 Requirement
Current ratio as of February 29, 2012	<u>3.73</u>	> 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
		\$6,761,726 Interest Expense Annualized
Total Cash Balance	<u>\$211,688,000</u>	> <u>\$21,761,726</u>

*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)(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

*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)).*

### COMPLIANCE CERTIFICATE

(Delivered pursuant to Sections 8.1(c)(iii) and 8.1(d) 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 Sections 8.1(c)(iii) and 8.1(d) of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010, as amended to date (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(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)(v): 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,



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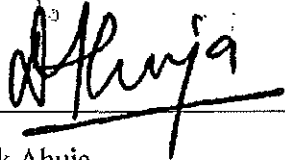
subject, in the case of unaudited Financial Statements, to the absence of notes to the financial statements and changes resulting from normal audit and year-end adjustments;

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.

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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

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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

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Exhibit 8.1(c)(i)

Audited consolidated Financial Statements for 2011

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**Exhibit 8.1(c)(i)**

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Index to Consolidated Financial Statements**

	<u>Page</u>
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

**Tesla Motors, Inc.**  
**Consolidated Balance Sheets**  
(in thousands, except share and per share data)

	December 31, 2011	December 31, 2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 255,266	\$ 99,558
Short-term marketable securities	25,061	-
Restricted cash	23,476	73,597
Accounts receivable	9,539	6,710
Inventory	50,082	45,182
Prepaid expenses and other current assets	9,414	10,839
<b>Total current assets</b>	<b>372,838</b>	<b>235,886</b>
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
<b>Total assets</b>	<b>\$ 713,448</b>	<b>\$ 386,082</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 56,141	\$ 28,951
Accrued liabilities	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	-
<b>Total current liabilities</b>	<b>191,339</b>	<b>85,565</b>
Common stock warrant liability	8,838	6,088
Capital lease obligations, less current portion	2,830	496
Deferred 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
<b>Total liabilities</b>	<b>489,403</b>	<b>179,034</b>
<b>Commitments and contingencies (Note 15)</b>		
<b>Stockholders' equity:</b>		
Preferred stock; \$0.001 par value; 221,901,982 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)	-
Accumulated deficit	(669,392)	(414,982)
<b>Total stockholders' equity</b>	<b>224,045</b>	<b>207,048</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 713,448</b>	<b>\$ 386,082</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla Motors, Inc.**

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

	Year Ended December 31,		
	2011	2010	2009
<b>Revenues</b>			
Automotive sales	\$ 148,568	\$ 97,078	\$ 111,943
Development services	55,674	19,666	-
<b>Total revenues</b>	<u>204,242</u>	<u>116,744</u>	<u>111,943</u>
<b>Cost of revenues</b>			
Automotive sales	115,482	79,982	102,408
Development services	27,165	6,031	-
<b>Total cost of revenues</b>	<u>142,647</u>	<u>86,013</u>	<u>102,408</u>
<b>Gross profit</b>	61,595	30,731	9,535
<b>Operating expenses</b>			
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
<b>Total operating expenses</b>	<u>313,083</u>	<u>177,569</u>	<u>61,432</u>
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	<u>\$ (254,411)</u>	<u>\$ (154,328)</u>	<u>\$ (55,740)</u>
Net loss per share of common stock, basic and diluted	<u>\$ (2.53)</u>	<u>\$ (3.04)</u>	<u>\$ (7.94)</u>
Weighted average shares used in computing net loss per share of common stock, basic and diluted	<u>100,388,815</u>	<u>50,718,302</u>	<u>7,021,963</u>

The accompanying notes are an integral part of these consolidated financial statements.



Tesla Motors, Inc.

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

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2008	76,152,193	\$ 101,178	7,010,431	\$ 7	\$ 5,183	\$ (204,914)	\$ -	\$ (199,714)
Issuance of Series E convertible preferred stock in May 2009 (inclusive of conversion of notes payable) at \$2.51 per share, net of issuance cost of \$556	192,770,779	135,609	-	-	-	-	-	-
Issuance of Series F convertible preferred stock in August 2009 at \$2.07 per share, net of issuance cost of \$112	27,762,263	82,378	-	-	-	-	-	-
Issuance of common stock upon exercise of stock options, net of repurchases	-	-	273,769	-	497	-	-	497
Stock-based compensation	-	-	-	-	1,431	-	-	1,431
Net loss	-	-	-	-	-	(55,760)	-	(55,760)
Balance as of December 31, 2009	296,917,237	319,225	7,284,200	7	7,121	(260,654)	-	(253,532)
Issuance of common stock in July 2010 (a) (b) public offering at \$17.00 per share, net of issuance cost of \$17,497	-	-	11,810,600	12	184,461	-	-	184,473
Issuance of common stock in July 2010 concurrent private placement at \$17.00 per share	-	-	2,914,126	3	49,997	-	-	50,000
Issuance of common stock in November 2010 private placement at \$21.15 per share, net of issuance costs of \$12	-	-	1,418,293	1	28,957	-	-	29,958
Conversion of preferred stock into shares of common stock	-	-	70,226,844	70	319,155	-	-	319,225
Issuance of common stock upon net exercise of warrants	-	-	445,047	1	8,662	-	-	8,663
Issuance of common stock upon exercise of stock options, net of repurchases	(208,917,237)	(519,225)	711,930	1	1,349	-	-	1,350
Tax benefits from employee equity awards	-	-	-	-	74	-	-	74
Stock-based compensation	-	-	-	-	21,156	-	-	21,156
Net loss	-	-	-	-	-	(154,328)	-	(154,328)
Balance as of December 31, 2010	-	-	94,904,370	95	621,923	(414,982)	-	206,018
Issuance of common stock in June 2011 public offering at \$18.76 per share, net of issuance costs of \$205	-	-	6,095,000	6	172,403	-	-	172,409
Issuance of common stock in June 2011 concurrent private placement at \$18.76 per share	-	-	2,903,483	2	50,036	-	-	50,038
Issuance of common stock upon exercise of stock options, net of repurchases	-	-	1,239,802	1	6,642	-	-	6,643
Issuance of common stock under employee stock purchase plan	-	-	223,458	-	3,882	-	-	3,882
Stock-based compensation	-	-	-	-	29,419	-	-	29,419
Comprehensive loss:	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	(254,411)	-	(254,411)
Unrealized loss on short-term marketable securities, net	-	-	-	-	-	-	(3)	(3)
Total comprehensive loss	-	-	-	-	-	-	(3)	(254,414)
Balance as of December 31, 2011	-	\$ -	104,530,105	\$ 101	\$ 893,337	\$ (669,393)	\$ (3)	\$ 224,043

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla Motors, Inc.**

**Consolidated Statements of Cash Flows**  
(in thousands)

	Year Ended December 31,		
	2011	2010	2009
<b>Cash Flows From Operating Activities</b>			
Net loss	\$ (254,411)	\$ (154,328)	\$ (55,740)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	16,919	10,623	6,940
Change in fair value of warrant liabilities	2,750	5,022	1,128
Gain 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 stock-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 liabilities			
Accounts receivable	(2,829)	(3,222)	(168)
Inventories and operating lease vehicles	(13,638)	(28,513)	(7,925)
Prepaid expenses and other current assets	(248)	(4,977)	(2,042)
Other assets	(288)	(463)	(443)
Accounts payable	31,859	(212)	902
Accrued liabilities	12,321	13,345	3,387
Deferred development compensation	-	(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	<u>(114,364)</u>	<u>(127,817)</u>	<u>(80,825)</u>
<b>Cash Flows From Investing Activities</b>			
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, net increase in other restricted cash	50,121	(73,597)	-
Net cash used in investing activities	<u>(175,928)</u>	<u>(180,297)</u>	<u>(14,244)</u>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issuance of common stock in public offerings	172,410	188,842	-
Proceeds from issuance of common stock in private placements	59,058	80,000	-
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	(416)	(315)	(322)
Proceeds from long-term debt and other long-term liabilities	204,423	71,828	-
Proceeds from issuance of convertible notes and warrants	-	-	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	<u>446,000</u>	<u>338,045</u>	<u>155,419</u>
Net increase in cash and cash 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	<u>\$ 255,266</u>	<u>\$ 99,558</u>	<u>\$ 69,627</u>
<b>Supplemental Disclosures</b>			
Interest paid	\$ 3,472	\$ 1,138	\$ 70
Income taxes paid	282	9	171
<b>Supplemental noncash investing and financing activities</b>			
Conversion of preferred stock to common stock	-	319,225	-
Issuance of common stock upon net exercise of warrants	-	6,962	-
Issuance of convertible preferred stock warrant	-	6,294	-
Issuance of common stock warrant	-	1,701	-
Conversion of notes payable to Series E convertible preferred stock	-	-	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	183

The accompanying notes are an integral part of these consolidated financial statements.

## 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. 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
Powertrain component and related sales	46,860	21,619	388
Total automotive sales	\$ 148,568	\$ 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, 2011	December 31, 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.....	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 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):

	Year Ended December 31,		
	2011	2010	2009
Accrued warranty - beginning of period	\$ 5,417	\$ 3,757	\$ 858
Warranty costs incurred	(2,750)	(2,231)	(1,508)
Provision for warranty	3,648	3,891	4,407
Accrued warranty - end of period	<u>\$ 6,315</u>	<u>\$ 5,417</u>	<u>\$ 3,757</u>

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:

	Year Ended December 31,		
	2011	2010	2009
Period-end stock options to purchase common stock	15,806,663	13,804,788	11,640,700
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 31, 2011	December 31, 2010
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	<u>\$ 50,082</u>	<u>\$ 45,182</u>

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):

	December 31, 2011	December 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 improvements	27,901	13,993
Land	26,391	26,391
Construction in progress	227,461	58,917
	<u>330,636</u>	<u>136,629</u>
Less: Accumulated depreciation and amortization	(32,222)	(21,993)
Total	<u>\$ 298,414</u>	<u>\$ 114,636</u>

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	<u>\$ 22,371</u>	<u>\$ 22,730</u>

## 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	<u>\$ 32,109</u>	<u>\$ 20,945</u>

## Other Long-Term Liabilities

As of December 31, 2011 and 2010, our other long-term liabilities consisted of the following (in thousands):

	December 31, 2011	December 31, 2010
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	<u>\$ 14,915</u>	<u>\$ 12,274</u>

## 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):

	December 31, 2011				December 31, 2010			
	Fair Value	Level I	Level II	Level III	Fair Value	Level I	Level II	Level III
Money market funds	\$ 196,701	\$ 196,701	\$ -	\$ -	\$ 145,708	\$ 145,708	\$ -	\$ -
Corporate note	10,062	-	10,062	-	-	-	-	-
Commercial paper	14,999	-	14,999	-	-	-	-	-
Total	\$ 221,762	\$ 196,701	\$ 25,061	\$ -	\$ 145,708	\$ 145,708	\$ -	\$ -
Common stock warrant liability	\$ 8,838	\$ -	\$ -	\$ 8,838	\$ 6,088	\$ -	\$ -	\$ 6,088
Foreign currency forward contracts	109	-	109	-	125	-	125	-
Total	\$ 8,947	\$ -	\$ 109	\$ 8,838	\$ 6,213	\$ -	\$ 125	\$ 6,088

Our available-for-sale marketable securities classified by security type as of December 31, 2011 consisted of the following (in thousands):

	December 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair 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 December 31,	
	2011	2010
Fair value, beginning of period	\$ 6,088	\$ 1,734
Issuances	-	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
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 1 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:

	Par Value	Share Price at Issuance	Authorized	Issued and Outstanding	Liquidation 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	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	208,917,237	442,151	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 Facility Available for Future 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 months 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	<u>393,220</u>	
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	<u>\$ 188,797</u>	

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 draw-downs 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 Elon 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		Weighted Average Exercise Price
	Shares Available for Grant	Number of Options	
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
Exercised	-	(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:

Range of Exercise Price	Options Outstanding			Options Exercisable		
	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number	Weighted Average Exercise Price	Weighted Average 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	28.43		5,312	28.43	
\$28.45 - \$28.45	971,262	28.45		215,150	28.45	
\$30.41 - \$30.41	179,838	30.41		2,450	30.41	
\$30.55 - \$30.55	258,500	30.55		71,956	30.55	
\$33.22 - \$33.22	381,750	33.22		3,939	33.22	
	<u>15,839,996</u>	13.33	6.20	<u>7,053,354</u>	8.34	5.15

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

Range of Exercise Price	Options Outstanding			Options Exercisable		
	Number	Weighted Average 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	
	<u>13,804,788</u>	8.59	6.06	<u>3,506,279</u>	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:

Grant Date	Number of Options Granted	Exercise Price and Fair Value per Share of Common Stock
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	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):

	Year Ended December 31,		
	2011	2010	2009
Cost of sales	\$ 670	\$ 243	\$ 61
Research and development	13,377	4,139	376
Selling, general and administrative	15,372	16,774	997
Total	\$ 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
Domestic	\$ 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,		
	2011	2010	2009
Current:			
Federal	\$ -	\$ -	\$ -
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):

	December 31, 2011	December 31, 2010
<b>Deferred tax assets:</b>		
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 amortization	3,071	1,125
Accruals and others	3,970	2,940
Total deferred tax assets	248,416	160,820
Valuation allowance	(248,384)	(160,803)
<b>Deferred tax liabilities:</b>		
Undistributed earnings of foreign subsidiaries	-	-
Depreciation and amortization	(37)	-
Net deferred tax assets (liabilities)	\$ (5)	\$ 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	\$ 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		<u>541</u>
December 31, 2009		15,596
Increases in balances related to tax positions taken during current year		<u>797</u>
December 31, 2010		16,393
Increases in balances related to tax positions taken during current year		<u>1,037</u>
December 31, 2011	\$	<u><u>17,430</u></u>

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
Europe	84,397	70,542	21,110
Asia	10,612	4,336	-
Total	<u>\$ 204,242</u>	<u>\$ 116,744</u>	<u>\$ 111,943</u>

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	5,384	3,585
Total	<u>\$ 310,170</u>	<u>\$ 122,599</u>

## 14. Development Services

### **Daimler AG**

#### *Daimler 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):

	Operating Leases	Capital Leases
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	<u>\$ 56,768</u>	<u>4,228</u>
Less: Amounts representing interest not yet incurred		331
Present value of capital lease obligations		<u>3,897</u>
Less: Current portion		1,067
Long-term portion of capital lease obligations		<u>\$ 2,830</u>

### *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):

2012	\$ 13,368
2013	36,676
2014	36,064
2015	35,460
2016 and thereafter	183,893
Total loan repayments under the DOE Loan Facility	<u>305,461</u>
Less: Amounts representing interest not yet incurred	29,210
Principal amount of outstanding loans under the DOE Loan Facility	<u>276,251</u>
Less: Current portion	7,916
Long-term portion of loans under the DOE Loan Facility	<u>\$ 268,335</u>

### *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 months ended			
	March 31	June 30	September 30	December 31
<b>2011</b>				
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)
Net loss per share, basic and diluted	(0.51)	(0.60)	(0.63)	(0.78)
<b>2010</b>				
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.

*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(c)(ii)

Unaudited Consolidating Financial Statements for 2011

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

Exhibit 3.1(b)(1)

Teledyne, Inc.  
Consolidating Balance Sheet  
As of December 31, 2011  
(in thousands)

	US	Canada	Latin America	UK	Germany	France	Italy	Spain	Japan	Other	Total
<b>Assets</b>											
Current Assets											
Cash and cash equivalents	25,091	1,061	1,742	1,751	1,837	8,854	2,283	3,054	54,797	12	713,448
Short-term marketable securities	25,091										25,091
Prepaid expenses	22,476										22,476
Accounts receivable	6,744										6,744
Inventory	18,574										18,574
Property, plant and equipment, net	28,294										28,294
Goodwill	37,154										37,154
Other assets	37,154										37,154
Total Current Assets	183,344	1,061	1,742	1,751	1,837	8,854	2,283	3,054	54,797	12	713,448
Non-current Assets											
Property, plant and equipment, net	25,091										25,091
Goodwill	25,091										25,091
Other assets	25,091										25,091
Total Non-current Assets	75,273										75,273
Total Assets	258,617	1,061	1,742	1,751	1,837	8,854	2,283	3,054	54,797	12	788,721
<b>Liabilities and Stockholders' Equity</b>											
Current Liabilities											
Accounts payable	25,091										25,091
Accrued liabilities	25,091										25,091
Deferred revenue	25,091										25,091
Current portion of long-term debt	25,091										25,091
Other current liabilities	25,091										25,091
Total Current Liabilities	125,555										125,555
Non-current Liabilities											
Long-term debt	25,091										25,091
Other non-current liabilities	25,091										25,091
Total Non-current Liabilities	50,182										50,182
Total Liabilities	175,737										175,737
Stockholders' Equity											
Common stock	25,091										25,091
Additional paid-in capital	25,091										25,091
Retained earnings	25,091										25,091
Accumulated other comprehensive income	25,091										25,091
Total Stockholders' Equity	102,880										102,880
Total Liabilities and Stockholders' Equity	278,617	1,061	1,742	1,751	1,837	8,854	2,283	3,054	54,797	12	886,601

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Exhibit 6.1(c)(ii)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Twelve Months Ended December 31, 2011  
 (Unaudited)  
 (In thousands)

	US	Canada	Leasing	Netherlands	Italy	Denmark	Switzerland	France	Monaco	Norway	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 46,236	\$ 2,893	\$ 2,656	\$ 14	\$ 247,765	\$ 256	\$ 7,854	\$ 85	\$ 654	\$ 9	\$ 10,526	\$ 63,751	\$ 4,168	\$ 4,607	\$ 1,636	\$ 1,636	\$ 101,872	\$ 148,698	
Development services	65,674																		65,674
Intercompany revenue	22,217			113	178	255		617	617		149	6,761		110					(101,872)
<b>Total revenues</b>	<b>116,126</b>	<b>2,893</b>	<b>2,789</b>	<b>192</b>	<b>1,792</b>	<b>1,530</b>	<b>7,854</b>	<b>1,358</b>	<b>1,471</b>	<b>9</b>	<b>10,724</b>	<b>69,512</b>	<b>110</b>	<b>4,168</b>	<b>4,607</b>	<b>1,636</b>	<b>(101,872)</b>	<b>204,242</b>	
<b>Cost of revenues</b>																			
Automotive sales	10,199	610	2,715				913	112	51		246	693		166			(349)		(15,492)
Development services	27,165																		27,165
Intercompany costs	159,842	1,706	1,113	(117)	285	480	(6,309)	466	208		9,299	15,782		3,225	(1,210)	(1,148)			(66,520)
<b>Total cost of revenues</b>	<b>197,106</b>	<b>2,022</b>	<b>2,258</b>	<b>(110)</b>	<b>285</b>	<b>481</b>	<b>(6,189)</b>	<b>467</b>	<b>266</b>	<b>-</b>	<b>9,544</b>	<b>17,675</b>	<b>3,325</b>	<b>1,476</b>	<b>1,143</b>	<b>(1,143)</b>	<b>(66,520)</b>	<b>142,547</b>	
<b>Gross profit</b>	<b>40,563</b>	<b>851</b>	<b>511</b>	<b>302</b>	<b>853</b>	<b>1,049</b>	<b>1,731</b>	<b>891</b>	<b>1,202</b>	<b>9</b>	<b>2,200</b>	<b>11,837</b>	<b>110</b>	<b>844</b>	<b>3,231</b>	<b>893</b>	<b>(4,991)</b>	<b>51,695</b>	
<b>Operating expenses</b>																			
Research & development	208,287							171			10	2,448							208,907
Selling, general and administrative	85,835	325	1,770	305	850	1,060	1,717	134	220		2,128	6,113	(10)	814	3,014	604			(6,098)
<b>Total operating expenses</b>	<b>293,122</b>	<b>625</b>	<b>70</b>	<b>305</b>	<b>852</b>	<b>1,060</b>	<b>1,717</b>	<b>906</b>	<b>1,220</b>	<b>-</b>	<b>2,138</b>	<b>11,559</b>	<b>110</b>	<b>814</b>	<b>3,014</b>	<b>680</b>	<b>(5,096)</b>	<b>313,083</b>	
<b>Loss from operations</b>	<b>(252,523)</b>	<b>(28)</b>	<b>(41)</b>	<b>(3)</b>	<b>(1)</b>	<b>(11)</b>	<b>(16)</b>	<b>(4)</b>	<b>(28)</b>	<b>9</b>	<b>85</b>	<b>(278)</b>	<b>30</b>	<b>(117)</b>	<b>(117)</b>	<b>(3)</b>	<b>(197)</b>	<b>(261,488)</b>	
Interest expense	(40)					(2)	(1)	(1)											(45)
Interest income	247																		255
Other income (expense), net	(2,385)																		(2,385)
Loss before income taxes	(254,591)	71	441	3	8	6	165	10	(18)	9	130	(73)	0	28	(23)	22	(10)		(253,921)
Provision for income taxes	(7)																		(7)
<b>Net loss</b>	<b>(254,629)</b>	<b>71</b>	<b>441</b>	<b>3</b>	<b>8</b>	<b>6</b>	<b>165</b>	<b>10</b>	<b>(18)</b>	<b>9</b>	<b>130</b>	<b>(73)</b>	<b>0</b>	<b>28</b>	<b>(23)</b>	<b>22</b>	<b>(10)</b>	<b>5</b>	<b>(254,411)</b>

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 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.



PricewaterhouseCoopers LLP  
San Jose, California  
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.
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.
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,
  - b. 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.
10. 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.
12. 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") 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, 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 complied 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 Waiver 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 606, *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 fourth 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 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 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-than-not, 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.



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Elon Musk, President and Chief Executive Officer



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Deepak Ahuja, Chief Financial Officer



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Rex Liu, Corporate Controller

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Exhibit 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*

PricewaterhouseCoopers LLP  
February 27, 2012

*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)(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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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

*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)(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 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(ies) 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).

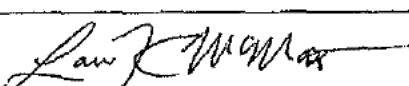
<b>PRODUCER</b> Woodruff-Sawyer & Co. 50 California Street, Floor 12 San Francisco CA 94111 (415) 391-2141	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Tesla Motors, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	<b>INSURER A:</b> Federal Insurance Company	<b>NAIC #</b> 20281
	<b>INSURER B:</b> National Union Fire Insurance Company of Pitt	19445
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
<b>INSURER F:</b>		

**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.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC			(b) (4)	04/30/2011	04/30/2012	(b) (4) EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				04/30/2011	04/30/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$				04/30/2011	04/30/2012	EACH OCCURRENCE AGGREGATE
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A	05/01/2011	05/01/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. 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

<b>CERTIFICATE HOLDER</b>  Evidence of Insurance  LOAN #: ID #:	<b>CANCELLATION</b> 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 

*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)(v)(C)-2

Material Insurance Coverage for 2012

*[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(ies) 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).


<b>PRODUCER</b> Woodruff-Sawyer & Co. 50 California Street, Floor 12 San Francisco CA 94111 (415) 391-2141	<b>CONTACT NAME:</b> _____ <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> _____	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Tesla Motors, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	<b>INSURER A:</b> Federal Insurance Company <b>NAIG #</b> 20281	
	<b>INSURER B:</b> National Union Fire Insurance Company of Pitt <b>19445</b>	
	<b>INSURER C:</b> _____	
	<b>INSURER D:</b> _____	
	<b>INSURER E:</b> _____	
	<b>INSURER F:</b> _____	

**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.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			(b) (4)	04/30/2011	04/30/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMPROP AGG
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				04/30/2011	04/30/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED RETENTIONS				04/30/2011	04/30/2012	EACH OCCURRENCE AGGREGATE
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below				05/01/2011	05/01/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. 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

<b>CERTIFICATE HOLDER</b>  Evidence of Insurance  LOAN #:  ID #:	<b>CANCELLATION</b>  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 
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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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

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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: 

Name: Deepak Ahuja

Title: CFO

*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)(i)

Financial Statements

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)(i)

Tesla Motors, Inc.  
 Consolidated Balance Sheet  
 As of March 31, 2012  
 (In thousands)

	3/31/2012
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 218,570
Restricted cash	39,199
Short-term marketable securities	25,009
Accounts receivable	13,689
Inventory	66,427
Prepaid expenses and other current assets	7,103
<b>Total current assets</b>	<b>358,897</b>
Operating lease vehicles, net	12,046
Property and equipment, net	364,128
Restricted cash	3,805
Other assets	22,224
<b>Total assets</b>	<b>\$ 761,100</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 64,333
Accrued liabilities	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
<b>Total current liabilities</b>	<b>235,723</b>
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	15,705
<b>Total liabilities</b>	<b>607,228</b>
<b>Stockholders' equity</b>	
Common stock	105
Additional paid in capital	913,040
Accumulated other comprehensive income (loss)	(6)
Accumulated deficit	(759,267)
<b>Total stockholders' equity</b>	<b>153,872</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 761,100</b>

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.

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)(i)**

Tesla Motors, Inc  
 Consolidated Statements of Operations  
 For the Month and three months ended March 31, 2012  
 (In thousands)

	Mar-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 13,121	\$ 19,245
Development services	8,826	10,922
<b>Total revenues</b>	<b>21,946</b>	<b>30,167</b>
<b>Cost of revenues</b>		
Automotive sales	9,181	13,932
Development services	3,720	6,025
<b>Total cost of revenues</b>	<b>12,901</b>	<b>19,957</b>
<b>Gross profit</b>	<b>9,046</b>	<b>10,210</b>
<b>Operating expenses</b>		
Research & development	29,841	68,391
Selling, general and administrative	14,421	30,582
<b>Total operating expenses</b>	<b>44,261</b>	<b>98,973</b>
<b>Operating loss</b>	<b>(35,216)</b>	<b>(88,763)</b>
Interest income	30	80
Interest expense	841	(65)
Other income (expense)	(99)	(1,076)
<b>Loss before income taxes</b>	<b>(34,444)</b>	<b>(89,814)</b>
Tax	59	59
<b>Net loss</b>	<b>\$ (34,503)</b>	<b>\$ (89,873)</b>

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 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)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Cash Flows  
 For the Month and three months ended March 31, 2012  
 (in thousands)

	Mar-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (34,503)	\$ (89,873)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,574	4,163
Change in fair value of warrant liability	(155)	(155)
Discounts and premiums on short-term marketable securities	14	41
Stock based compensation	10,711	10,711
Non cash charges related to fixed assets	24	182
Inventory writedowns	2,612	2,612
Changes in operating assets and liabilities:		
Accounts receivable	(10,274)	(4,049)
Inventory	(3,152)	(6,002)
Prepaid expenses and other current assets	3,022	2,483
Operating lease vehicles	(713)	(816)
Other assets	137	(14)
Accounts payable	17,395	5,942
Accrued liabilities	6,803	2,166
Other long term liabilities	550	790
Deferred revenue	299	176
Reservation payments	5,433	21,557
Net cash used in operating activities	(222)	(50,087)
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(33,009)	(97,987)
Withdrawals from (transfers into) our dedicated Department of Energy account	(7,539)	(10,998)
Investment in short-term marketable securities	-	(14,992)
Maturities of short-term marketable securities	-	15,000
Decrease (increase) in restricted cash deposits	(299)	(463)
Net cash provided by (used in) investing activities	(40,847)	(79,440)
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	69,915	84,267
Other issuances of common stock	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	186,666	255,266
Cash and cash equivalents, end of period	\$ 218,570	\$ 218,570

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.

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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



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## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

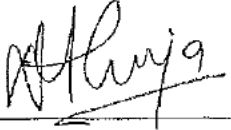
1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of March 31, 2012, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), 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 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

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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: DHEEPAK AHUJA

Title: CFO

*[Signature page to Borrower Certificate (Closing)]*

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Exhibit 8.1(d)(i)

Financial Statements

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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
<b>Assets</b>		
<b>Current Assets</b>		
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
<b>Total current assets</b>	<b>358,897</b>	<b>372,838</b>
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
<b>Total assets</b>	<b>\$ 761,100</b>	<b>\$ 713,448</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
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	113,318	91,761
Long term debt, current portion	20,194	7,916
<b>Total current liabilities</b>	<b>235,722</b>	<b>191,339</b>
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
<b>Total liabilities</b>	<b>607,226</b>	<b>489,403</b>
<b>Stockholders' equity (deficit)</b>		
Common stock	105	104
Additional paid-in capital	913,040	893,336
Accumulated other comprehensive loss	(6)	(3)
Accumulated deficit	(759,265)	(669,392)
<b>Total stockholders' equity</b>	<b>153,874</b>	<b>224,045</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 761,100</b>	<b>\$ 713,448</b>

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(d)(i)

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

	Three months ended	
	March 31,	
	2012	2011
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 19,245	\$ 33,628
Development services	10,922	15,402
<b>Total revenues</b>	<b>30,167</b>	<b>49,030</b>
<b>Cost of revenues</b>		
Automotive sales	13,932	26,961
Development services	6,025	4,041
<b>Total cost of revenues</b>	<b>19,957</b>	<b>31,002</b>
<b>Gross profit</b>	<b>10,210</b>	<b>18,028</b>
<b>Operating expenses</b>		
Research & development	68,391	41,162
Selling, general and administrative	30,582	24,212
<b>Total operating expenses</b>	<b>98,973</b>	<b>65,374</b>
<b>Loss from operations</b>	<b>(88,763)</b>	<b>(47,346)</b>
Interest income	80	40
Interest expense	(65)	-
Other income (expense), net	(1,076)	(1,485)
<b>Loss before income taxes</b>	<b>(89,814)</b>	<b>(48,791)</b>
Provision for income taxes	59	150
<b>Net loss</b>	<b>\$ (89,873)</b>	<b>\$ (48,941)</b>

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Exhibit 8.1(d)(i)

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

	Three months ended	
	March 31,	
	2012	2011
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (89,873)	\$ (48,941)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,163	3,517
Change in fair value of warrant liabilities	(155)	1,421
Discounts and premiums on short-term marketable securities	41	
Stock-based compensation	10,711	5,926
Other	182	11
Inventory write-downs	2,612	383
Changes in operating assets and liabilities:		
Accounts receivable	(4,050)	(13,550)
Inventories and operating lease vehicles	(5,600)	(6,963)
Prepaid expenses and other current assets	2,483	(1,423)
Other assets	(14)	(366)
Accounts payable	5,942	7,958
Accrued liabilities	948	(216)
Deferred revenue	176	(509)
Reservation payments	21,557	8,657
Other long-term liabilities	790	798
Net cash used in operating activities	(50,087)	(43,297)
<b>Cash flows from Investing activities</b>		
Purchases of marketable securities	(14,992)	-
Maturities of short-term marketable securities	15,000	-
Purchases of property and equipment	(67,987)	(20,478)
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
<b>Cash flows from Financing activities</b>		
Principal payments on capital leases and other debt	(429)	(79)
Proceeds from long-term debt and other long-term liabilities	84,267	30,656
Proceeds from exercise of stock options and other stock issuances	8,993	3,706
Net cash provided by financing activities	92,831	34,283
Increase (decrease) in cash and cash equivalents	(36,696)	1,097
Cash and cash equivalents, beginning of period	255,266	99,558
Cash and cash equivalents, end of period	\$ 218,570	\$ 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.

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
**Consolidated Statement of Stockholders' Equity**  
 For the Three Months Ended March 31, 2012  
 (Unaudited)  
 (In thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2011	104,530,305	104	\$ 893,335	\$ (689,392)	\$ (3)	\$ 224,045
Issuance of common stock upon exercise of stock options & ESPP	534,465	-	8,993	-	-	8,994
Stock-based compensation	-	-	10,711	-	-	10,711
Gain/(Loss) on investment securities	-	-	-	-	(3)	(3)
Net loss	-	-	-	(89,873)	-	(89,873)
Balance 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.



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Exhibit 6.1(d)(1)

Tesla Motors, Inc.  
Consolidating Balance Sheet  
As of March 31, 2012  
(Unaudited)  
(in thousands)

	US	Canada	Loans	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total
<b>Assets</b>																		
Current Assets																		
Cash and cash equivalents	\$ 205,632	\$ 474	\$ 475	\$ 384	\$ 243	\$ 304	\$ 361	\$ 615	\$ 929	\$ 929	\$ 1,875	\$ 2,727	\$ 1,411	\$ 2,404	\$ 766	\$ -	\$ 218,970	
Short-term marketable securities	25,009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,009
Accounts receivable	39,189	5	40	23	6	4	25	9	15	115	1,474	1,474	-	237	-	-	-	39,189
Inventory	52,483	119	119	186	119	128	128	483	128	332	2,066	2,066	191	186	18	18	(37)	53,427
Prepaid expenses and other current assets	5,428	119	5	(3)	179	81	(23)	45	91	51	(65)	1,015	12	45	113	26	-	5,427
Intangible assets	25,886	119	84	1,883	977	396	1,364	2,178	1,356	2,110	1,031	8,093	-	-	-	-	-	25,886
Total current assets	355,272	537	553	2,357	1,524	944	1,859	3,532	1,919	2,152	4,317	13,378	12	1,457	2,535	811	(45,111)	355,897
Operating lease vehicles, net	15,289	-	-	-	-	-	-	1,257	255	-	464	1,126	-	-	-	-	-	12,048
Property, plant and equipment, net	35,744	122	-	177	131	63	53	121	48	184	485	61	61	875	51	-	(2,056)	36,128
Goodwill	3,455	-	-	-	-	-	-	221	6	-	6	6	-	6	-	-	-	3,905
Other assets	21,203	-	-	-	40	-	73	172	172	-	53	292	-	-	-	-	-	22,224
Total assets	\$ 751,975	\$ 1,948	\$ 10,255	\$ 2,734	\$ 1,704	\$ 1,107	\$ 1,982	\$ 5,130	\$ 2,426	\$ 2,152	\$ 5,018	\$ 15,966	\$ 12	\$ 1,521	\$ 4,253	\$ 861	\$ (45,111)	\$ 761,100
<b>Liabilities and Stockholders' Equity</b>																		
Current Liabilities																		
Accounts Payable	\$ 69,733	\$ 1	\$ 5	\$ 14	\$ 7	\$ 45	\$ 38	\$ 44	\$ 22	\$ 22	\$ 6	\$ 387	\$ 1	\$ 1	\$ 70	\$ -	\$ -	\$ 64,393
Accrued liabilities	30,634	9	23	153	37	101	183	164	53	119	340	1,377	1	119	200	-	-	33,610
Debt	1,103	89	696	1,009	119	225	72	225	172	119	232	232	-	119	232	-	-	2,694
Capital lease obligations, current portion	1,657	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	1,657
Reserve for warranty	20,164	-	-	-	-	3	32	74	16	-	172	226	-	35	1,954	166	-	20,194
Long-term debt, current portion	372	8,767	5,781	2,431	1,781	1,013	1,954	3,780	2,047	1,997	3,943	12,681	(20)	1,424	2,330	533	(45,111)	238,722
Intercountry Payables	1,846	9,465	2,713	2,451	1,940	1,161	2,234	4,279	2,276	2,116	4,482	14,947	(19)	1,474	4,483	938	(45,111)	238,722
Total Current Liabilities	128,663	1,948	10,255	2,734	1,704	1,107	1,982	5,130	2,426	2,152	5,018	15,966	12	1,521	4,253	861	(45,111)	128,663
Common stock warrant liability	8,683	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,683
Capital lease obligations, less current portion	3,666	-	-	-	-	-	21	-	14	-	-	-	-	-	-	-	-	3,721
Deferred revenue, less current portion	1,944	63	289	1,944	-	-	-	337	29	-	66	933	-	15	-	-	-	3,072
Long term debt, less current portion	340,323	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340,323
Other long term liabilities	3,646	23	-	-	-	-	-	309	198	-	317	656	-	-	-	-	-	16,765
Total liabilities	591,946	1,948	10,255	2,734	1,704	1,107	1,982	5,130	2,426	2,152	5,018	15,966	12	1,521	4,253	861	(45,111)	607,226
<b>Stockholders' equity</b>																		
Common Stock	105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105
Additional paid in capital	512,967	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	512,967
US pre-IPO investment in subsidiaries	-	-	-	26	14	23	23	19	26	32	33	36	20	0	57	1	(33)	135
Accumulated other comprehensive loss	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)
Accumulated deficit	(766,037)	4	951	(7)	(146)	(47)	(296)	(333)	(57)	(23)	(121)	(650)	(11)	(47)	(232)	(75)	(2,32)	(752,365)
Total stockholders' equity	157,029	4	481	23	(136)	(24)	(273)	(294)	(132)	45	153	(475)	31	47	(225)	(74)	(2,440)	153,874
Total liabilities and stockholders' equity	\$ 751,975	\$ 1,948	\$ 10,255	\$ 2,734	\$ 1,704	\$ 1,107	\$ 1,982	\$ 5,130	\$ 2,426	\$ 2,152	\$ 5,018	\$ 15,966	\$ 12	\$ 1,521	\$ 4,253	\$ 861	\$ (45,111)	\$ 761,100

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Exhibit 8.1(d)(f)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Three Months Ended March 31, 2012  
 (Unaudited)  
 (in thousands)

	US	Canada	Leasing	Netherlands	Italy	Denmark	Switzerland	France	Morocco	Norway	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 5,110	\$ 148	\$ 929	\$ 352	\$ 2	\$ 507	\$ 374	\$ 708	\$ 293	\$ 6	\$ 3,661	\$ 3,418	\$ 1,915	\$ 1,817	\$ 886	\$ (110)	\$	\$ 16,245	
Development services	10,922																		10,922
Intercompany revenue	11,810				139		108				108	276					(12,438)		
<b>Total revenues</b>	<b>27,843</b>	<b>148</b>	<b>929</b>	<b>352</b>	<b>142</b>	<b>507</b>	<b>480</b>	<b>708</b>	<b>293</b>	<b>6</b>	<b>3,787</b>	<b>3,695</b>	<b>1,915</b>	<b>1,817</b>	<b>886</b>	<b>(12,549)</b>	<b></b>	<b>30,167</b>	
<b>Cost of revenues</b>																			
Automotive sales	12,226	63	792	18	0	7	14	145	10	4	81	158			38	51	(277)		13,882
Development services	6,025																		6,025
Intercompany COGS	(1,028)			(10)	(139)	(420)	(431)	(432)	(211)		(3,434)	(3,073)		(823)	(1,467)	(766)	(12,318)		
<b>Total cost of revenues</b>	<b>19,879</b>	<b>66</b>	<b>792</b>	<b>115</b>	<b>(140)</b>	<b>(427)</b>	<b>(444)</b>	<b>(500)</b>	<b>(221)</b>	<b>4</b>	<b>(3,515)</b>	<b>(3,232)</b>	<b></b>	<b>(823)</b>	<b>(1,807)</b>	<b>(807)</b>	<b>(12,595)</b>	<b></b>	<b>19,857</b>
<b>Gross profit</b>	<b>7,963</b>	<b>80</b>	<b>138</b>	<b>237</b>	<b>2</b>	<b>80</b>	<b>35</b>	<b>128</b>	<b>72</b>	<b>2</b>	<b>272</b>	<b>463</b>	<b>-</b>	<b>192</b>	<b>410</b>	<b>89</b>	<b>46</b>	<b></b>	<b>10,210</b>
<b>Operating expenses</b>																			
Research & development	66,691								(6)			11		509					68,391
Selling, general and administrative	25,170	(152)	(17)	(252)	(63)	(26)	(346)	(592)	(168)	(33)	(827)	(1,955)		(199)	(891)	(16)			30,582
<b>Total operating expenses</b>	<b>91,861</b>	<b>(152)</b>	<b>(17)</b>	<b>(252)</b>	<b>(63)</b>	<b>(26)</b>	<b>(346)</b>	<b>(592)</b>	<b>(168)</b>	<b>(33)</b>	<b>(827)</b>	<b>(1,955)</b>	<b>1</b>	<b>(199)</b>	<b>(891)</b>	<b>(16)</b>	<b>-</b>	<b></b>	<b>98,973</b>
<b>Loss from operations</b>	<b>(83,897)</b>	<b>(71)</b>	<b>(121)</b>	<b>(115)</b>	<b>(161)</b>	<b>(48)</b>	<b>(311)</b>	<b>(464)</b>	<b>(91)</b>	<b>(31)</b>	<b>(255)</b>	<b>(1,898)</b>	<b>(1)</b>	<b>(7)</b>	<b>(280)</b>	<b>(92)</b>	<b>46</b>	<b></b>	<b>(88,763)</b>
Interest expense	(63)						(1)		(1)										(65)
Interest income	87															3			90
Other income (expense), net	(840)	(28)		(4)	(6)	(8)	(4)	(6)	(2)	(22)	(7)	(163)		(0)	(7)	(10)			(1,076)
<b>Loss before income taxes</b>	<b>(86,204)</b>	<b>(100)</b>	<b>121</b>	<b>(10)</b>	<b>(167)</b>	<b>(56)</b>	<b>(316)</b>	<b>(470)</b>	<b>(71)</b>	<b>(54)</b>	<b>(273)</b>	<b>(1,556)</b>	<b>0</b>	<b>(7)</b>	<b>(208)</b>	<b>(50)</b>	<b>58</b>	<b></b>	<b>(89,815)</b>
Provision for income taxes	62															(3)			59
<b>Net loss</b>	<b>\$ (86,266)</b>	<b>\$ (100)</b>	<b>\$ 121</b>	<b>\$ (10)</b>	<b>\$ (167)</b>	<b>\$ (58)</b>	<b>\$ (316)</b>	<b>\$ (470)</b>	<b>\$ (71)</b>	<b>\$ (54)</b>	<b>\$ (273)</b>	<b>\$ (1,968)</b>	<b>\$ 0</b>	<b>\$ (7)</b>	<b>\$ (208)</b>	<b>\$ (87)</b>	<b>\$ 58</b>	<b>\$</b>	<b>\$ (89,873)</b>

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(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

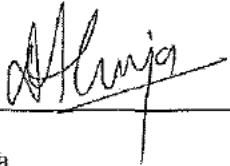
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of April 30, 2012 and such Financial Statements fairly present, in all material respects, the 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 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

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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: 

Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
Consolidated Balance Sheet  
As of April 30, 2012  
(In thousands)

	4/30/2012 (Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 214,148
Restricted cash	39,200
Short-term marketable securities	
Accounts receivable	2,646
Inventory	59,381
Prepaid expenses and other current assets	6,864
<b>Total current assets</b>	<b>322,239</b>
Operating lease vehicles, net	11,882
Property and equipment, net	378,632
Restricted cash	3,805
Other assets	22,242
<b>Total assets</b>	<b>\$ 738,800</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 65,171
Accrued liabilities	34,185
Deferred revenue	2,573
Capital lease obligations, current portion	2,425
Reservation payments	118,452
Current portion of long term debt	20,194
<b>Total current liabilities</b>	<b>243,001</b>
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
Other long term liabilities	15,906
<b>Total liabilities</b>	<b>614,628</b>
<b>Stockholders' equity</b>	
Common stock	105
Additional paid in capital	913,630
Accumulated other comprehensive income (loss)	
Accumulated deficit	(789,563)
<b>Total stockholders' equity</b>	<b>124,173</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 738,800</b>

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(d)(i)**

Tesla Motors, Inc  
 Consolidated Statements of Operations  
 For the Month and four months ended April 30, 2012  
 (In thousands)

	Apr-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 4,084	\$ 23,330
Development services	4	10,926
<b>Total revenues</b>	<b>4,088</b>	<b>34,256</b>
<b>Cost of revenues</b>		
Automotive sales	3,364	17,296
Development services	2	6,027
<b>Total cost of revenues</b>	<b>3,366</b>	<b>23,323</b>
<b>Gross profit</b>	<b>723</b>	<b>10,933</b>
<b>Operating expenses</b>		
Research & development	21,485	89,876
Selling, general and administrative	8,980	39,562
<b>Total operating expenses</b>	<b>30,465</b>	<b>129,438</b>
<b>Operating loss</b>	<b>(29,742)</b>	<b>(118,506)</b>
Interest income	30	120
Interest expense	(549)	(615)
Other income (expense)	(36)	(1,112)
<b>Loss before income taxes</b>	<b>(30,297)</b>	<b>(120,112)</b>
Tax		59
<b>Net loss</b>	<b>\$ (30,297)</b>	<b>\$ (120,171)</b>

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 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)(i)

Tesla Motors, Inc.  
**Consolidated Statement of Cash Flows**  
For the Month and four months ended April 30, 2012  
(In thousands)

	Apr. 12 (Unaudited)	YTD 2012 (Unaudited)
<b>Cash flows from Operating activities</b>		
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	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:		
Accounts receivable	10,944	6,894
Inventory	(6,794)	(11,579)
Prepaid expenses and other current assets	240	2,723
Operating lease vehicles	-	(816)
Other assets	(18)	(33)
Accounts payable	3,678	9,620
Accrued liabilities	883	1,831
Other long term liabilities	200	991
Deferred revenue	(60)	96
Reservation payments	5,135	26,691
Net cash used in operating activities	<u>(14,570)</u>	<u>(64,659)</u>
<b>Cash flows from Investing activities</b>		
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	-	(463)
Net cash provided by (used in) investing activities	<u>9,767</u>	<u>(69,672)</u>
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	84,267
Other issuances of common stock	591	9,584
Principal payments on capital leases and other debt	(209)	(638)
Net cash provided by financing activities	<u>382</u>	<u>93,212</u>
Increase (decrease) in cash and cash equivalents	(4,422)	(41,116)
Cash and cash equivalents, beginning of period	218,570	255,266
Cash and cash equivalents, end of period	<u>\$ 214,148</u>	<u>\$ 214,148</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.

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**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	<i>Covenant Requirement</i>
Current ratio as of April 30, 2012	<u>2.59</u>	> <u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of April 30, 2012	\$214,148,087	<i>Covenant Requirement</i>
		\$15,000,000
		\$6,825,263 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$214,148,087</u>	> <u>\$21,825,263</u>

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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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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

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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:  \_\_\_\_\_

Name: Deepak Ahuja \_\_\_\_\_

Title: CFO \_\_\_\_\_

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Exhibit 8.1(d)(i)

Financial Statements



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)(i)

Tesla Motors, Inc.  
 Consolidated Balance Sheet  
 As of May 31, 2012  
 (In thousands)

	<b>5/31/2012</b>
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 183,177
Restricted cash	32,228
Short-term marketable securities	-
Accounts receivable	2,701
Inventory	64,858
Prepaid expenses and other current assets	4,729
<b>Total current assets</b>	<b>287,692</b>
Operating lease vehicles, net	12,023
Property and equipment, net	396,439
Restricted cash	3,820
Other assets	22,328
<b>Total assets</b>	<b>\$ 722,302</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 64,302
Accrued liabilities	32,686
Deferred revenue	2,555
Capital lease obligations, current portion	2,866
Reservation payments	126,308
Current portion of long term debt	20,194
<b>Total current liabilities</b>	<b>248,910</b>
Common stock warrant liability	6,683
Capital lease obligations, less current portion	3,681
Long-term debt, less current portion	348,417
Deferred revenue, less current portion	3,017
Other long term liabilities	16,050
<b>Total liabilities</b>	<b>628,758</b>
<b>Stockholders' equity</b>	
Common stock	105
Additional paid in capital	913,966
Accumulated other comprehensive income (loss)	-
Accumulated deficit	(820,527)
<b>Total stockholders' equity</b>	<b>93,544</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 722,302</b>

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(d)(1)**

Tesla Motors, Inc  
 Consolidated Statements of Operations  
 For the Month and five months ended May 31, 2012  
 (In thousands)

	May-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 5,618	\$ 28,848
Development services	100	11,026
<b>Total revenues</b>	<b>5,618</b>	<b>39,874</b>
<b>Cost of revenues</b>		
Automotive sales	4,807	22,103
Development services	1	6,028
<b>Total cost of revenues</b>	<b>4,808</b>	<b>28,131</b>
<b>Gross profit</b>	<b>810</b>	<b>11,742</b>
<b>Operating expenses</b>		
Research & development	21,882	111,757
Selling, general and administrative	9,363	48,926
<b>Total operating expenses</b>	<b>31,245</b>	<b>160,683</b>
<b>Operating loss</b>	<b>(30,435)</b>	<b>(148,941)</b>
Interest income	24	145
Interest expense	(575)	(1,190)
Other income (expense)	22	(1,090)
<b>Loss before income taxes</b>	<b>(30,964)</b>	<b>(151,076)</b>
Tax	-	59
<b>Net loss</b>	<b>\$ (30,964)</b>	<b>\$ (151,135)</b>

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 five months ended May 31, 2012  
 (in thousands)

	May-12 (Unaudited)	YTD 2012 (Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ (30,964)	\$ (151,135)
Adjustments to reconcile net loss to net cash used in provided by operating activities:		
Depreciation and amortization	1,308	6,719
Change in fair value of warrant liability	-	(155)
Discounts and premiums on short-term marketable securities	-	56
Stock based compensation	-	10,711
Non cash charges related to fixed assets	37	495
Inventory writedowns	-	2,812
Changes in operating assets and liabilities:		
Accounts receivable	(55)	6,839
Inventory	(5,527)	(17,106)
Prepaid expenses and other current assets	2,135	4,857
Operating lease vehicles	(308)	(1,124)
Other assets	(85)	(119)
Accounts payable	(819)	8,801
Accrued liabilities	(427)	1,404
Other long term liabilities	145	1,135
Deferred revenue	(15)	82
Reservation payments	7,855	34,547
Net cash used in operating activities	<u>(26,722)</u>	<u>(91,381)</u>
<b>Cash flows from Investing activities</b>		
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	<u>(12,526)</u>	<u>(82,198)</u>
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	8,093	92,360
Other issuances of common stock	336	9,920
Principal payments on capital leases and other debt	(163)	(791)
Net cash provided by financing activities	<u>8,276</u>	<u>101,489</u>
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	<u>\$ 183,177</u>	<u>\$ 183,177</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.

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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	<i>Covenant Requirement</i>
Current ratio as of May 31, 2012	<u>2.35</u>	> <u>1.40</u>

In accordance to Annex 9.1 (c) (ii)

Cash balance as of May 31, 2012	\$183,176,632	<i>Covenant Requirement</i>
		\$15,000,000
		\$7,487,660 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$183,176,632</u>	> <u>\$22,487,660</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

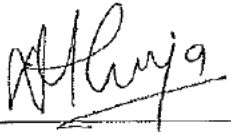
1. Attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the fiscal quarter ended as of June 30, 2012, and unaudited consolidating Financial Statements of the Borrower and its Subsidiaries for such quarter (to the extent available), 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 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

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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: DEEPAK AHUJA

Title: CFO

*[Signature page to Borrower Certificate (Closing)]*



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Exhibit 8.1(d)(i)

Financial Statements

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**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
	(Unaudited)	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 210,554	\$ 255,280
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
<b>Total current assets</b>	<b>317,126</b>	<b>372,838</b>
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
<b>Total assets</b>	<b>\$ 776,869</b>	<b>\$ 713,448</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
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
<b>Total current liabilities</b>	<b>286,526</b>	<b>191,339</b>
Common stock warrant liability	8,529	8,838
Capital lease obligations, less current portion	4,720	2,830
Deferred revenue, less current portion	2,610	3,146
Long-term debt, less current portion	396,155	268,335
Other long-term liabilities	16,114	14,915
<b>Total liabilities</b>	<b>714,654</b>	<b>489,403</b>
<b>Stockholders' equity (deficit)</b>		
Common stock	105	104
Additional paid-in capital	926,981	893,336
Accumulated other comprehensive loss	-	(3)
Accumulated deficit	(864,871)	(669,392)
<b>Total stockholders' equity</b>	<b>62,215</b>	<b>224,045</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 776,869</b>	<b>\$ 713,448</b>

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(d)(i)

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

	Three months ended June 30,		Six months ended June 30,	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
<b>Revenue</b>				
Automotive sales	\$ 22,054	\$ 39,028	\$ 41,299	\$ 72,656
Development services	4,599	19,143	15,521	34,545
<b>Total revenues</b>	<b>26,653</b>	<b>58,171</b>	<b>56,820</b>	<b>107,201</b>
<b>Cost of revenues</b>				
Automotive sales	20,150	30,528	34,082	57,489
Development services	1,741	9,135	7,766	13,176
<b>Total cost of revenues</b>	<b>21,891</b>	<b>39,663</b>	<b>41,848</b>	<b>70,665</b>
<b>Gross profit</b>	<b>4,762</b>	<b>18,508</b>	<b>14,972</b>	<b>36,536</b>
<b>Operating expenses</b>				
Research & development	74,854	62,531	143,245	93,693
Selling, general and administrative	36,083	24,716	66,665	48,928
<b>Total operating expenses</b>	<b>110,937</b>	<b>77,247</b>	<b>209,910</b>	<b>142,621</b>
<b>Loss from operations</b>	<b>(106,175)</b>	<b>(58,739)</b>	<b>(194,938)</b>	<b>(106,085)</b>
Interest income	74	46	164	86
Interest expense	(84)	-	(149)	-
Other income (expense), net	691	(71)	(385)	(1,556)
<b>Loss before income taxes</b>	<b>(105,494)</b>	<b>(58,764)</b>	<b>(195,308)</b>	<b>(107,555)</b>
Provision for income taxes	109	139	168	289
<b>Net loss</b>	<b>\$ (105,603)</b>	<b>\$ (58,903)</b>	<b>\$ (195,476)</b>	<b>\$ (107,844)</b>

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.

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Exhibit 8.1(d)(i)

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

	Three months ended June 30,		Six months ended June 30,	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
<b>Cash flows from Operating activities</b>				
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	4,349	4,317	8,611	7,635
Change in fair value of warrant liability	(155)	340	(309)	1,751
Discounts and premiums on short-term marketable securities	15	-	56	-
Stock-based compensation	12,543	6,926	23,254	12,852
Inventory write-downs	1,068	269	3,678	652
Other	838	218	1,020	229
Changes in operating assets and liabilities:				
Accounts receivable	2,568	(3,048)	(1,483)	(18,598)
Inventories and operating lease vehicles	(12,838)	(5,999)	(18,438)	(12,864)
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)
<b>Cash flows from Investing activities</b>				
Purchases of marketable securities	-	-	(14,992)	-
Maturities of short-term marketable securities	25,000	-	40,000	-
Purchases of property and equipment	(61,288)	(54,314)	(129,273)	(74,790)
Withdrawals out of (transfer into) our dedicated DoE account	19,216	31,692	8,218	62,348
Increase in other restricted cash	(2,145)	(500)	(2,608)	(559)
Net cash used in investing activities	(19,215)	(23,122)	(98,655)	(13,011)
<b>Cash flows from Financing activities</b>				
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 other stock issuances	1,397	1,211	10,391	4,817
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	(6,015)	218,725	(44,712)	219,822
Cash and cash equivalents, beginning of period	218,570	100,655	255,286	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.

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Stockholders' Equity  
 For the Six Months Ended June 30, 2012  
 (Unaudited)  
 (in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2011	104,530,305	104	893,336	(669,395)	(3)	224,045
Issuance of common stock upon exercise of stock options & ESPP	793,046	-	10,391	-	-	10,392
Stock-based compensation	-	-	23,254	-	-	23,254
Gain/(Loss) on investment securities	-	-	-	-	3	3
Net loss	-	-	-	(195,476)	-	(195,476)
Balance as of June 30, 2012	105,323,351	104	926,981	(864,871)	-	62,217

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.

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
Consolidating Balance Sheet  
As of June 30, 2012  
(Unaudited)  
(in thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total
<b>Assets</b>																		
<b>Current Assets</b>																		
Cash and cash equivalents	\$ 102,065	\$ 1,840	\$ 456	\$ 1,036	\$ 1,081	\$ 1,845	\$ 4,111	\$ 766	\$ 929	\$ 2,482	\$ 2,224	\$ 1,179	\$ 1,657	\$ 3,142	\$ 425	\$ -	\$ -	\$ 210,554
Short-term marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	21,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,960
Accounts receivable	4,125	15	79	75	4	22	32	85	3	80	6,188	-	-	-	339	10	-	11,923
Inventory	83,391	-	-	268	4	275	242	314	-	514	438	-	-	-	500	24	74	86,889
Prepaid expenses and other current assets	3,618	142	4	16	215	8	37	133	59	49	198	2,137	-	-	45	63	-	8,920
Intercompany Receivable	35,233	-	-	2,086	1,398	771	2,001	2,074	1,448	1,877	1,897	11,216	-	-	-	-	(90,142)	-
Total current assets	320,612	2,006	545	3,481	2,973	2,891	2,754	3,376	2,439	2,026	5,642	22,201	12	1,657	4,067	522	(60,068)	317,126
Operating lease vehicles, net	-	1,226	9,119	-	-	-	1,310	272	-	437	520	-	-	-	-	-	(1,859)	11,795
Property, plant and equipment, net	419,605	-	-	166	123	85	46	112	47	-	165	467	-	65	805	63	-	421,850
Restricted stock	3,640	-	-	-	-	116	-	209	-	-	-	-	-	-	-	-	-	3,973
Other assets	21,075	-	-	-	46	-	87	-	161	-	50	287	-	44	398	-	-	22,128
Investment in Subsidiaries	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(301)	-
Total assets	\$ 765,233	\$ 3,246	\$ 9,661	\$ 3,649	\$ 3,142	\$ 3,096	\$ 2,867	\$ 5,007	\$ 2,909	\$ 2,026	\$ 6,294	\$ 24,243	\$ 12	\$ 1,757	\$ 5,270	\$ 585	\$ (62,228)	\$ 776,969
<b>Liabilities and Stockholders' Equity</b>																		
<b>Current Liabilities</b>																		
Accounts Payable	\$ 77,845	\$ 110	\$ 5	\$ 14	\$ 8	\$ 64	\$ 93	\$ 157	\$ 81	\$ 40	\$ 260	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ 78,501
Accrued liabilities	30,683	99	13	136	78	94	226	160	109	106	495	1,178	1	11	111	96	22	33,813
Deferred revenue	1,322	97	855	-	-	-	-	203	87	-	102	317	-	-	-	-	-	2,797
Capital lease obligations, current portion	2,448	-	-	-	-	-	7	-	6	-	-	-	-	-	-	-	-	2,461
Reservation payments, current portion	125,144	2,229	5	-	-	30	15	17	-	42	337	-	-	60	2,373	198	-	133,447
Long-term debt, current portion	35,637	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,637
Intercompany Payable	85	376	6,133	3,616	3,034	2,974	2,556	3,044	2,445	1,935	4,876	20,886	(14)	1,713	3,605	504	(90,132)	-
Total Current Liabilities	276,264	3,312	9,062	3,673	3,119	3,152	2,872	3,369	2,852	2,041	5,654	22,775	(13)	1,785	6,089	815	(60,110)	286,526
Common stock warrant liability	8,529	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,529
Capital lease obligations, less current portion	4,693	-	-	-	-	-	16	-	11	-	-	-	-	-	-	-	-	4,720
Deferred revenue, less current portion	1,836	41	106	-	-	-	-	409	11	-	39	363	-	-	15	-	-	2,510
Long term debt, less current portion	395,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	395,155
Other long term liabilities	13,893	37	-	-	-	-	-	843	197	-	297	770	-	-	-	-	76	15,114
Total liabilities	701,160	3,390	9,058	3,673	3,119	3,152	2,889	4,722	2,860	2,041	5,950	23,933	(13)	1,785	6,105	815	(60,034)	714,684
<b>Stockholders' equity</b>																		
Common Stock	105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105
Additional paid in capital	528,907	-	-	-	-	-	-	-	-	-	-	73	-	-	-	-	-	529,080
US capital investment in subsidiaries	-	26	14	23	23	23	19	26	22	23	36	36	20	9	57	1	(301)	925,981
Accumulated deficit	(899,770)	106	543	3	18	9	19	157	14	77	364	1,360	11	54	(74)	12	(2,160)	(665,292)
Net Loss	(193,169)	(149)	242	(56)	(9)	(85)	(64)	(11)	(114)	(122)	(1,179)	(1,179)	(8)	(81)	(81)	(242)	287	(155,799)
Total stockholders' equity	64,073	(44)	602	(24)	23	(56)	(21)	285	49	(15)	304	309	24	(28)	(63)	(229)	(2,194)	62,218
Total liabilities and stockholders' equity	\$ 765,233	\$ 3,246	\$ 9,661	\$ 3,649	\$ 3,142	\$ 3,096	\$ 2,867	\$ 5,007	\$ 2,909	\$ 2,026	\$ 6,294	\$ 24,243	\$ 12	\$ 1,757	\$ 5,270	\$ 585	\$ (62,228)	\$ 776,969

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Six Months Ended June 30, 2012  
 (Unaudited)  
 (in thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 12,008	\$ 331	\$ 1,344	\$ 1,359	\$ 722	\$ 2,181	\$ 428	\$ 1,957	\$ 895	\$ 6	\$ 6,669	\$ 6,829	\$ 1,404	\$ 2,886	\$ 1,281	\$ (110)	\$	\$ 41,299	
Development services	1,120												4,250						15,921
Intercompany revenue	23,045			275	371		346		123		367		276					(24,862)	
<b>Total revenues</b>	<b>46,321</b>	<b>331</b>	<b>1,344</b>	<b>1,633</b>	<b>1,092</b>	<b>2,181</b>	<b>1,172</b>	<b>1,957</b>	<b>1,019</b>	<b>6</b>	<b>7,326</b>	<b>11,455</b>	<b>1,404</b>	<b>2,886</b>	<b>1,281</b>	<b>(24,912)</b>	<b></b>	<b>56,820</b>	
<b>Cost of revenues</b>																			
Automotive sales	\$ 31,680	\$ 126	\$ 1,068	\$ 23	\$ 18	\$ 12	\$ 37	\$ 298	\$ 29	\$ 4	\$ (68)	\$ 676	\$	\$ 65	\$ 56	\$ (476)	\$	\$ 34,082	
Development services	7,783																		7,783
Intercompany COGS	1,339	3		1,162	711	1,824	848	748	717	34	5,192	9,952	1,107	2,244	1,073	(24,701)			
<b>Total cost of revenues</b>	<b>40,782</b>	<b>129</b>	<b>1,068</b>	<b>1,173</b>	<b>729</b>	<b>1,835</b>	<b>885</b>	<b>1,034</b>	<b>748</b>	<b>39</b>	<b>6,308</b>	<b>7,631</b>	<b>1,107</b>	<b>2,329</b>	<b>1,158</b>	<b>(25,177)</b>	<b></b>	<b>41,848</b>	
<b>Gross profit</b>	<b>5,539</b>	<b>202</b>	<b>276</b>	<b>460</b>	<b>362</b>	<b>252</b>	<b>587</b>	<b>923</b>	<b>271</b>	<b>(33)</b>	<b>1,018</b>	<b>3,824</b>	<b>-</b>	<b>297</b>	<b>657</b>	<b>123</b>	<b>265</b>	<b>14,972</b>	
<b>Operating expenses</b>																			
Research & development	\$ 142,736	\$ 1	\$	\$	\$ 8	\$ 1	\$	\$	\$ (5)	\$	\$ 33	\$ (71)	\$	\$	\$	\$	\$	\$	\$ 143,246
Selling, general and administrative	55,885	356	34	504	370	341	653	883	310	35	128	4,199	7	378	1,399	376			66,865
<b>Total operating expenses</b>	<b>198,621</b>	<b>357</b>	<b>34</b>	<b>504</b>	<b>377</b>	<b>343</b>	<b>653</b>	<b>883</b>	<b>304</b>	<b>33</b>	<b>1,161</b>	<b>4,669</b>	<b>7</b>	<b>378</b>	<b>1,399</b>	<b>376</b>	<b>-</b>	<b>209,910</b>	
<b>Loss from operations</b>	<b>(192,884)</b>	<b>(155)</b>	<b>242</b>	<b>(46)</b>	<b>(15)</b>	<b>(91)</b>	<b>(76)</b>	<b>90</b>	<b>(32)</b>	<b>(66)</b>	<b>(143)</b>	<b>(845)</b>	<b>(7)</b>	<b>(82)</b>	<b>(832)</b>	<b>(254)</b>	<b>265</b>	<b>(194,538)</b>	
Interest expense	(147)	0		0		0	(1)	0	(2)										(149)
Interest income	157	0		0		0	0	0	43	(46)	26	(34)		0	2	4			164
Other income (expense), net	(262)	6	3	(10)	5	(4)	(3)	69	43	(46)	26	(34)		0	12	4			(285)
Loss before income taxes	(193,107)	(149)	242	(56)	(9)	(95)	(64)	119	10	(114)	(122)	(1,179)	(6)	(81)	(818)	(245)	365		(195,358)
Provision for income taxes	82					0	(7)	9								(9)	98		169
<b>Net loss</b>	<b>\$ (193,169)</b>	<b>\$ (149)</b>	<b>\$ 242</b>	<b>\$ (56)</b>	<b>\$ (9)</b>	<b>\$ (86)</b>	<b>\$ (64)</b>	<b>\$ 119</b>	<b>\$ 10</b>	<b>\$ (114)</b>	<b>\$ (122)</b>	<b>\$ (1,179)</b>	<b>\$ (6)</b>	<b>\$ (81)</b>	<b>\$ (818)</b>	<b>\$ (242)</b>	<b>\$ 267</b>	<b>\$</b>	<b>\$ (195,476)</b>

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(d)(i)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Three Months Ended June 30, 2012  
 (Unaudited)  
 (In thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 6,839	\$ 185	\$ 714	\$ 306	\$ 716	\$ 1,680	\$ 452	\$ 1,258	\$ 503	\$ 3,275	\$ 3,310	\$ 1,385	\$ 989	\$ 385	\$ 1,365	\$ 5	\$ -	\$ 22,054	
Development services	349	-	-	-	-	-	-	-	-	-	4,260	-	-	-	-	-	-	4,599	
Intercompany revenue	1,234	-	-	275	231	240	240	123	123	261	-	-	-	-	-	-	(12,363)	-	
<b>Total revenues</b>	<b>16,478</b>	<b>185</b>	<b>714</b>	<b>3,284</b>	<b>960</b>	<b>1,680</b>	<b>692</b>	<b>1,258</b>	<b>726</b>	<b>3,536</b>	<b>7,760</b>	<b>389</b>	<b>989</b>	<b>385</b>	<b>1,365</b>	<b>(12,363)</b>	<b>-</b>	<b>25,653</b>	
<b>Cost of revenues</b>																			
Automotive sales	10,824	63	576	-	38	4	23	107	20	75	520	-	-	-	46	35	(116)	20,460	
Development services	1,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,741	
Intercompany COGS	308	-	-	1,052	572	1,604	117	316	505	34	2,718	3,079	-	-	284	777	318	(12,383)	
<b>Total cost of revenues</b>	<b>20,873</b>	<b>63</b>	<b>576</b>	<b>1,052</b>	<b>590</b>	<b>1,508</b>	<b>141</b>	<b>463</b>	<b>525</b>	<b>34</b>	<b>2,793</b>	<b>4,398</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>623</b>	<b>351</b>	<b>(12,583)</b>	
<b>Gross profit</b>	<b>(2,395)</b>	<b>122</b>	<b>138</b>	<b>220</b>	<b>380</b>	<b>172</b>	<b>551</b>	<b>805</b>	<b>201</b>	<b>(34)</b>	<b>746</b>	<b>3,361</b>	<b>-</b>	<b>-</b>	<b>105</b>	<b>157</b>	<b>34</b>	<b>219</b>	<b>4,762</b>
<b>Operating expenses</b>																			
Research & development	74,657	1	-	-	8	-	-	-	-	-	22	167	-	-	2	-	-	74,854	
Selling, general and administrative	10,515	205	17	252	207	216	317	261	142	601	2,233	6	179	708	185	-	-	36,063	
<b>Total operating expenses</b>	<b>105,172</b>	<b>205</b>	<b>17</b>	<b>252</b>	<b>215</b>	<b>216</b>	<b>317</b>	<b>291</b>	<b>142</b>	<b>-</b>	<b>622</b>	<b>2,400</b>	<b>6</b>	<b>179</b>	<b>708</b>	<b>185</b>	<b>-</b>	<b>110,937</b>	
<b>Loss from operations</b>	<b>(107,667)</b>	<b>(84)</b>	<b>121</b>	<b>(32)</b>	<b>146</b>	<b>(44)</b>	<b>224</b>	<b>514</b>	<b>59</b>	<b>(34)</b>	<b>123</b>	<b>960</b>	<b>(6)</b>	<b>(75)</b>	<b>(651)</b>	<b>(162)</b>	<b>219</b>	<b>(106,178)</b>	
Interest expense	(83)	-	-	-	-	-	(1)	0	(9)	(8)	-	-	-	-	1	2	-	(84)	
Interest income	70	0	0	0	-	-	0	0	-	-	-	-	-	-	-	-	-	74	
Other income (expense), net	678	35	20	(4)	13	4	18	76	22	(25)	29	(172)	(9)	0	(69)	4	88	691	
<b>Loss before income taxes</b>	<b>(106,303)</b>	<b>(48)</b>	<b>121</b>	<b>(46)</b>	<b>158</b>	<b>(40)</b>	<b>251</b>	<b>589</b>	<b>81</b>	<b>(60)</b>	<b>151</b>	<b>789</b>	<b>(6)</b>	<b>(75)</b>	<b>(610)</b>	<b>(155)</b>	<b>209</b>	<b>(105,484)</b>	
<b>Provision for income taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>	
<b>Net loss</b>	<b>\$ (106,303)</b>	<b>\$ (48)</b>	<b>\$ 121</b>	<b>\$ (46)</b>	<b>\$ 158</b>	<b>\$ (42)</b>	<b>\$ 252</b>	<b>\$ 589</b>	<b>\$ 81</b>	<b>\$ (60)</b>	<b>\$ 151</b>	<b>\$ 789</b>	<b>\$ (6)</b>	<b>\$ (75)</b>	<b>\$ (610)</b>	<b>\$ (155)</b>	<b>\$ 209</b>	<b>\$ (105,603)</b>	

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(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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. 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 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

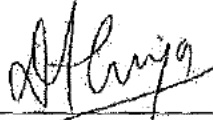
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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.

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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

*[Signature page to Borrower Certificate (Closing)]*

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Exhibit 8.1(d)(i)

Financial Statements

**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)(i)

Tesla Motors, Inc.  
Consolidated Balance Sheets  
As of September 30, 2012 and December 31, 2011  
(In thousands)

	Sep-12	Dec-11
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 85,693	\$ 255,266
Short-term marketable securities	22,861	25,061
Restricted cash	-	23,478
Accounts receivable	9,164	9,539
Inventory	159,048	60,082
Prepaid expenses and other current assets	7,775	9,414
<b>Total current assets</b>	<b>284,541</b>	<b>372,838</b>
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
<b>Total assets</b>	<b>\$ 809,177</b>	<b>\$ 713,448</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 162,026	\$ 66,141
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
<b>Total current liabilities</b>	<b>385,806</b>	<b>191,339</b>
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
<b>Total liabilities</b>	<b>837,052</b>	<b>489,403</b>
<b>Stockholders' equity (deficit)</b>		
Common stock	106	104
Additional paid-in capital	947,693	893,336
Accumulated other comprehensive loss	-	(3)
Accumulated deficit	(975,674)	(669,392)
<b>Total stockholders' equity (deficit)</b>	<b>(27,875)</b>	<b>224,045</b>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 809,177</b>	<b>\$ 713,448</b>

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(d)(l)

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

	Three months ended September 30,		Nine months ended September 30,	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
<b>Revenue</b>				
Automotive sales	\$ 50,023	\$ 43,235	\$ 91,323	\$ 115,891
Development services	81	14,431	15,601	48,976
<b>Total revenues</b>	<b>50,104</b>	<b>57,665</b>	<b>106,924</b>	<b>164,867</b>
<b>Cost of revenues</b>				
Automotive sales	58,865	32,752	92,947	90,241
Development services	-	7,690	7,767	20,866
<b>Total cost of revenues</b>	<b>58,865</b>	<b>40,442</b>	<b>100,714</b>	<b>111,107</b>
<b>Gross profit (loss)</b>	<b>(8,761)</b>	<b>17,224</b>	<b>6,210</b>	<b>53,760</b>
<b>Operating expenses</b>				
Research & development	61,901	54,083	206,146	147,776
Selling, general and administrative	37,798	27,618	104,464	76,545
<b>Total operating expenses</b>	<b>99,699</b>	<b>81,701</b>	<b>309,610</b>	<b>224,321</b>
<b>Loss from operations</b>	<b>(108,480)</b>	<b>(64,477)</b>	<b>(303,400)</b>	<b>(170,561)</b>
Interest income	38	80	203	166
Interest expense	(78)	-	(228)	-
Other income (expense), net	(2,188)	(594)	(2,573)	(2,151)
<b>Loss before income taxes</b>	<b>(110,688)</b>	<b>(64,991)</b>	<b>(305,998)</b>	<b>(172,546)</b>
Provision for income taxes	116	87	284	377
<b>Net loss</b>	<b>\$ (110,804)</b>	<b>\$ (65,078)</b>	<b>\$ (306,282)</b>	<b>\$ (172,922)</b>

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.

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Exhibit 8.1(d)(i)

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>				
Net loss	\$ (110,804)	\$ (65,078)	\$ (306,282)	\$ (172,922)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	7,521	4,280	16,033	12,115
Change in fair value of warrant liability	1,205	340	896	2,101
Discounts and premiums on short-term marketable securities	-	(132)	56	(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 assets and liabilities:				
Accounts receivable	1,859	5,057	375	(11,540)
Inventories and operating lease vehicles	(85,893)	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	4,891	12,029	46,577	34,460
Other long-term liabilities	2,436	1,208	3,635	2,291
Net cash used in operating activities	(94,952)	(21,491)	(206,020)	(87,276)
<b>Cash flows from Investing activities</b>				
Investment in short-term marketable securities	-	(64,952)	(14,992)	(64,952)
Maturities of short-term marketable securities	-	-	40,000	-
Purchases of property and equipment	(66,472)	(69,844)	(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	(1,970)	(320)	(4,478)	(887)
Net cash used in investing activities	(70,088)	(178,170)	(168,743)	(191,181)
<b>Cash flows from Financing activities</b>				
Principal payments on capital leases and other debt	(763)	(96)	(1,684)	(224)
Proceeds from notes payable	33,255	80,823	188,798	163,172
Issuance costs	(473)	(19)	(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	-	-	-	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	99,658
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.



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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 Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2011	104,530,305	104	893,236	(669,395)	(3)	224,045
Issuance of common stock upon exercise of stock options & ESPP	1,242,126	1	18,550	-	-	18,551
Stock-based compensation	-	-	36,279	-	-	36,279
Gain/(Loss) on investment securities	-	-	-	-	-	-
Capitalized public offering issuance costs	-	-	(473)	-	3	(470)
Net loss	-	-	-	(306,282)	-	(306,282)
Balance as of September 30, 2012	105,772,431	105	947,692	(975,677)	-	(27,876)

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.  
Consolidating Balance Sheet  
As of September 30, 2012  
(Unaudited)  
(in thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total
<b>Assets</b>																		
<b>Current Assets</b>																		
Cash and cash equivalents	\$ 68,496	\$ 2,866	\$ 344	\$ 365	\$ 176	\$ 1,722	\$ 224	\$ 602	\$ 905	\$ -	\$ 1,311	\$ 6,664	\$ -	\$ 1,072	\$ 1,575	\$ 480	\$ -	\$ 85,693
Short-term marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	22,861	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,861
Accounts receivable	7,554	23	108	164	1	26	5	70	10	-	510	692	-	-	-	-	-	9,164
Inventory	155,895	-	-	284	284	286	245	451	128	-	316	361	-	-	513	25	-	159,046
Prepaid expenses and other current assets	5,404	152	3	5	258	111	9	138	67	51	171	1,322	-	2	44	39	-	7,775
Intercompany Receivables	27,526	-	-	2,264	1,632	799	2,273	2,285	1,601	2,044	2,770	12,835	-	-	-	-	-	(65,981)
Total current assets	287,539	3,041	455	3,002	2,351	2,823	2,757	3,557	2,711	2,095	6,578	20,763	-	1,074	2,132	945	-	284,541
Operating lease vehicles, net	-	1,154	8,190	-	-	-	-	1,389	259	-	845	1,414	-	-	-	-	-	(11,451)
Property, plant and equipment, net	484,123	104	-	158	115	83	41	125	44	-	146	435	-	49	734	90	-	486,248
Restricted cash	4,270	-	-	-	-	130	-	243	-	-	-	9	-	-	-	-	-	67
Other assets	20,817	10	-	-	48	-	69	69	166	-	51	298	-	44	406	-	-	(67)
Investment in Subsidiaries	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(801)
Total assets	\$ 797,050	\$ 4,319	\$ 8,645	\$ 3,161	\$ 2,513	\$ 3,136	\$ 2,867	\$ 5,333	\$ 3,180	\$ 2,095	\$ 6,621	\$ 22,919	\$ -	\$ 1,167	\$ 3,272	\$ 635	\$ (57,733)	\$ 809,177
<b>Liabilities and Stockholders' Equity (Deficit)</b>																		
<b>Current Liabilities</b>																		
Accounts Payable	\$ 161,620	-	\$ 24	\$ 92	\$ (22)	\$ 102	\$ (9)	\$ 128	\$ 5	\$ -	\$ 29	\$ 213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,025
Accrued liabilities	24,733	104	23	126	81	182	125	204	56	109	294	2,288	1	11	120	30	22	28,510
Deferred revenue	1,378	101	587	-	-	-	-	241	58	-	180	349	-	-	-	-	-	2,904
Capital lease obligations, current portion	3,169	-	-	-	-	-	8	-	6	-	-	-	-	-	-	-	-	3,188
Reservation payments	131,076	3,478	4	1	-	21	17	(1)	151	-	208	314	-	54	2,741	278	-	138,338
Long-term debt, current portion	50,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,841
Intercompany Payables	159	782	7,176	3,100	2,459	3,118	2,724	3,424	2,648	2,015	4,791	19,910	(27)	1,191	1,827	672	-	(55,982)
Total Current Liabilities	372,876	4,470	7,827	3,260	2,518	3,423	2,865	3,995	2,924	2,124	5,502	23,075	(25)	1,256	4,698	994	-	385,806
Common stock warrant liability	9,734	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,734
Capital lease obligations, less current portion	6,216	-	-	-	-	-	14	-	9	-	-	-	-	-	-	39	-	6,278
Deferred revenue, less current portion	1,517	24	124	-	-	-	-	277	5	-	157	357	-	-	15	-	-	2,477
Long term debt, less current portion	414,206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	414,207
Other long term liabilities	15,771	38	-	-	-	-	-	921	193	-	582	989	-	-	-	-	-	18,550
Total liabilities	820,320	4,635	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)
<b>Stockholders' equity</b>																		
Common Stock	106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106
Additional paid in capital	858,671	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	858,671
US capital investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated deficit	(580,822)	105	360	3	18	9	19	157	14	77	394	1,453	11	54	(74)	12	(2,160)	(580,371)
Net Loss	(301,225)	(319)	334	(131)	(36)	(319)	(54)	(36)	9	(128)	(45)	(2,870)	(5)	(143)	(1,415)	(410)	612	(306,262)
Total stockholders' equity (deficit)	(23,271)	(214)	694	(99)	(5)	(287)	(12)	140	48	(29)	381	(1,481)	25	(89)	(1,432)	(398)	(1,849)	(27,875)
Total liabilities and stockholders' equity (deficit)	\$ 797,050	\$ 4,319	\$ 8,645	\$ 3,161	\$ 2,513	\$ 3,136	\$ 2,867	\$ 5,333	\$ 3,180	\$ 2,095	\$ 6,621	\$ 22,919	\$ -	\$ 1,167	\$ 3,272	\$ 635	\$ (57,733)	\$ 809,177

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.  
Consolidating Statement of Operations  
For the Nine Months Ended September 30, 2012  
(Unaudited)  
(in thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 52,064	\$ 465	\$ 2,523	\$ 353	\$ 736	\$ 3,622	\$ 826	\$ 2,781	\$ 1,394	\$ 6	\$ 8,211	\$ 8,322	\$ 2,057	\$ 3,407	\$ 1,462	\$ (110)	\$	\$1,323	
Development services	11,351										4,260								15,611
Intercompany revenue	29,449		80	275	371		468		123		494	276					(3,535)		
<b>Total revenues</b>	<b>92,861</b>	<b>465</b>	<b>2,504</b>	<b>2,227</b>	<b>1,109</b>	<b>3,622</b>	<b>1,394</b>	<b>2,781</b>	<b>1,518</b>	<b>6</b>	<b>9,705</b>	<b>10,348</b>	<b>2,057</b>	<b>3,407</b>	<b>1,462</b>	<b>(31,646)</b>	<b></b>	<b>108,924</b>	
<b>Cost of revenues</b>																			
Automotive sales	69,316	188	2,140	81	23	44	42	407	54	4	315	971			112	91	(641)		82,947
Development services	7,767																		7,767
Intercompany COGS	2,667		80	1,468	568	3,285	543	1,141	1,041	34	7,764	8,521			1,611	2,550	1,213	(31,404)	
<b>Total cost of revenues</b>	<b>99,150</b>	<b>191</b>	<b>2,220</b>	<b>1,550</b>	<b>591</b>	<b>3,269</b>	<b>585</b>	<b>1,548</b>	<b>1,095</b>	<b>39</b>	<b>8,019</b>	<b>8,992</b>	<b>7,611</b>	<b>2,763</b>	<b>1,307</b>	<b>(31,245)</b>	<b></b>	<b>100,714</b>	
<b>Gross profit (loss)</b>	<b>(6,289)</b>	<b>277</b>	<b>384</b>	<b>678</b>	<b>518</b>	<b>323</b>	<b>809</b>	<b>1,233</b>	<b>422</b>	<b>(33)</b>	<b>1,687</b>	<b>4,355</b>	<b>-</b>	<b>448</b>	<b>544</b>	<b>156</b>	<b>599</b>	<b></b>	<b>5,210</b>
<b>Operating expenses</b>																			
Research & development	204,465	1			11	1			3		53	811							205,148
Selling, general and administrative	88,319	542	50	782	548	643	874	1,301	444	42	813	6,128	7	589	2,022	567			104,484
<b>Total operating expenses</b>	<b>292,780</b>	<b>543</b>	<b>50</b>	<b>782</b>	<b>556</b>	<b>644</b>	<b>874</b>	<b>1,301</b>	<b>447</b>	<b>42</b>	<b>1,866</b>	<b>6,739</b>	<b>7</b>	<b>589</b>	<b>2,022</b>	<b>567</b>	<b>-</b>	<b></b>	<b>309,610</b>
<b>Loss from operations</b>	<b>(299,669)</b>	<b>(266)</b>	<b>333</b>	<b>(104)</b>	<b>(38)</b>	<b>(321)</b>	<b>(65)</b>	<b>(68)</b>	<b>(24)</b>	<b>(75)</b>	<b>21</b>	<b>(2,384)</b>	<b>(7)</b>	<b>(143)</b>	<b>(1,378)</b>	<b>(411)</b>	<b>599</b>	<b></b>	<b>(303,400)</b>
Interest expense	(224)						(2)		(2)										(228)
Interest income	195														2	5			203
Other income (expense), net	(2,038)	(5)	0	(19)	5		12	41	35	(53)	(11)	(586)	2		(15)	(7)		111	(2,373)
Loss before income taxes	(301,136)	(318)	334	(123)	(35)	(316)	(55)	(27)	9	(128)	10	(2,970)	(5)	(143)	(1,381)	(413)	710		(305,993)
Provision for income taxes	89					3	(1)	9			46				24	(3)	98		284
<b>Net loss</b>	<b>\$ (301,225)</b>	<b>\$ (318)</b>	<b>\$ 334</b>	<b>\$ (121)</b>	<b>\$ (35)</b>	<b>\$ (319)</b>	<b>\$ (54)</b>	<b>\$ (28)</b>	<b>\$ 9</b>	<b>\$ (128)</b>	<b>\$ (46)</b>	<b>\$ (2,970)</b>	<b>\$ (5)</b>	<b>\$ (143)</b>	<b>\$ (1,415)</b>	<b>\$ (410)</b>	<b>\$ 812</b>	<b>\$</b>	<b>(306,282)</b>

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.

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)(i)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Three Months Ended September 30, 2012  
 (Unaudited)  
 (in thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	IC Elimination	Consolidated Total	
<b>Revenues</b>																			
Automotive sales	\$ 40,055	\$ 138	\$ 860	\$ 594	\$ 17	\$ 455	\$ 101	\$ 815	\$ 489	\$ 2,252	\$ 1,893	\$ 663	\$ 51	\$ 162	\$ 162	\$ 162	\$ 162	\$ 50,023	
Development services	81																		81
Intercompany revenue	(6,404)	(30)	(30)	(30)	(122)	(122)	(122)	(122)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(6,734)	
<b>Total revenues</b>	<b>46,640</b>	<b>138</b>	<b>900</b>	<b>594</b>	<b>17</b>	<b>1,435</b>	<b>272</b>	<b>815</b>	<b>489</b>	<b>2,375</b>	<b>1,893</b>	<b>663</b>	<b>51</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>(6,734)</b>	<b>59,104</b>
<b>Cost of revenues</b>																			
Automotive sales	\$ 57,868	\$ 62	\$ 771	\$ 58	\$ 32	\$ 32	\$ 122	\$ 25	\$ 193	\$ 292	\$ 193	\$ 292	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27	\$ (365)	\$ 58,865
Development services																			
Intercompany COGs	731		80	316	(143)	1,331	(5)	393	325		1,582	1,070		504	406	143		(5,783)	
<b>Total cost of revenues</b>	<b>58,597</b>	<b>62</b>	<b>852</b>	<b>374</b>	<b>(143)</b>	<b>1,363</b>	<b>(5)</b>	<b>515</b>	<b>348</b>	<b>374</b>	<b>1,711</b>	<b>1,362</b>	<b>27</b>	<b>504</b>	<b>433</b>	<b>143</b>	<b>27</b>	<b>(7,087)</b>	<b>58,885</b>
<b>Gross profit (loss)</b>	<b>(11,857)</b>	<b>75</b>	<b>108</b>	<b>220</b>	<b>155</b>	<b>71</b>	<b>222</b>	<b>300</b>	<b>150</b>	<b>-</b>	<b>666</b>	<b>531</b>	<b>-</b>	<b>149</b>	<b>77</b>	<b>33</b>	<b>334</b>	<b>(6,761)</b>	
<b>Operating expenses</b>																			
Research & development	\$ 8,727			4							20	141							\$ 9,102
Selling, general and administrative	32,630	186	17	278	175	301	211	418	142	9	505	2,070		211	624	191			37,796
<b>Total operating expenses</b>	<b>94,357</b>	<b>186</b>	<b>17</b>	<b>278</b>	<b>179</b>	<b>301</b>	<b>211</b>	<b>418</b>	<b>142</b>	<b>9</b>	<b>505</b>	<b>2,070</b>	<b>-</b>	<b>211</b>	<b>624</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>95,609</b>
<b>Loss from operations</b>	<b>(106,214)</b>	<b>(111)</b>	<b>92</b>	<b>(58)</b>	<b>(23)</b>	<b>(230)</b>	<b>11</b>	<b>(118)</b>	<b>7</b>	<b>(9)</b>	<b>164</b>	<b>(1,539)</b>	<b>(65)</b>	<b>(546)</b>	<b>(157)</b>	<b>334</b>	<b>(334)</b>	<b>(105,460)</b>	
Interest expense	(77)						(1)												(78)
Interest income	38																		38
Other income (expense), net	(1,776)	(68)		(9)	(13)	6	(1)	(28)	(8)	(5)	(31)	(251)		(0)	(27)	(11)			(2,158)
Loss before income taxes	(108,029)	(170)	92	(68)	(22)	(221)	10	(146)	(1)	(14)	132	(1,790)	1	(61)	(573)	(169)		345	(110,888)
Provision for income taxes	27										66				24				116
<b>Net loss</b>	<b>\$ (108,056)</b>	<b>\$ (170)</b>	<b>\$ 92</b>	<b>\$ (74)</b>	<b>\$ (28)</b>	<b>\$ (221)</b>	<b>\$ 10</b>	<b>\$ (146)</b>	<b>\$ (1)</b>	<b>\$ (14)</b>	<b>\$ 77</b>	<b>\$ (1,790)</b>	<b>\$ 1</b>	<b>\$ (62)</b>	<b>\$ (557)</b>	<b>\$ (169)</b>	<b>\$ 345</b>	<b>\$</b>	<b>(110,804)</b>

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(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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**FORM OF COMPLIANCE CERTIFICATE**

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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:

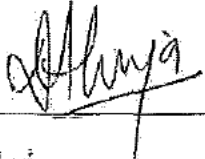
1. Pursuant to Section 8.1(d)(i) of the Arrangement Agreement, attached hereto as Exhibit 8.1(d)(i) are unaudited consolidated Financial Statements of the Borrower and its Subsidiaries for the month ended as of October 31, 2012 and such Financial Statements fairly present, in all material respects, the 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 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

*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)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja

Title: CFO



***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)(i)

Financial Statements

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)(i)

**Tesla Motors, Inc.**  
**Consolidated Balance Sheet**  
**As of October 31, 2012**  
(In thousands)

**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
<b>Total current assets</b>		<b>465,193</b>

Operating lease vehicles, net		11,089
Property and equipment, net		502,072
Restricted cash		4,783
Other assets		21,961
<b>Total assets</b>	<b>\$</b>	<b>1,005,098</b>

**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
<b>Total current liabilities</b>		<b>389,262</b>

Common stock warrant liability		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
<b>Total liabilities</b>		<b>840,534</b>

Stockholders' equity

Common stock		106
Additional paid in capital		1,170,003
Accumulated other comprehensive income (loss)		
Accumulated deficit		(1,005,544)
<b>Total stockholders' equity</b>		<b>164,565</b>

<b>Total liabilities and stockholders' equity</b>	<b>\$</b>	<b>1,005,098</b>
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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 date indicated herein.

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**Exhibit 8.1(d)(i)**

**Tesla Motors, Inc**  
**Consolidated Statements of Operations**  
**For the Month and Ten Months ended October 31, 2012**  
**(In thousands)**

	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 35,797	\$ 127,120
Development services	-	15,601
<b>Total revenues</b>	<b>35,797</b>	<b>142,721</b>
<b>Cost of revenues</b>		
Automotive sales	35,482	128,430
Development services	4	7,771
<b>Total cost of revenues</b>	<b>35,486</b>	<b>136,201</b>
<b>Gross profit</b>	<b>310</b>	<b>6,520</b>
<b>Operating expenses</b>		
Research & development	19,129	224,276
Selling, general and administrative	11,493	115,956
<b>Total operating expenses</b>	<b>30,622</b>	<b>340,232</b>
<b>Operating loss</b>	<b>(30,312)</b>	<b>(333,712)</b>
Interest income	18	221
Interest expense	(663)	(890)
Other income (expense)	1,012	(1,561)
<b>Loss before income taxes</b>	<b>(29,944)</b>	<b>(335,942)</b>
Tax	(74)	210
<b>Net loss</b>	<b>\$ (29,870)</b>	<b>\$ (336,152)</b>

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 B.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)
<b>Cash flows from Operating activities</b>		
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	-	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:		
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	<u>(89,558)</u>	<u>(295,580)</u>
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(17,750)	(215,495)
Withdrawals from (transfers into) our dedicated Department of Energy account	(14,501)	(6,020)
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	<u>(31,986)</u>	<u>(200,727)</u>
<b>Cash flows from Financing activities</b>		
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	<u>222,285</u>	<u>427,476</u>
Increase (decrease) in cash and cash equivalents	100,742	(68,831)
Cash and cash equivalents, beginning of period	85,693	255,266
Cash and cash equivalents, end of period	<u>\$ 186,435</u>	<u>\$ 186,435</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.

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**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	<i>Covenant Requirement</i>
Current ratio as of October 31, 2012	<u>1.83</u>	<i>1.40</i>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of October 31, 2012	\$186,435,000	<i>Covenant Requirement</i>
		<i>\$15,000,000</i>
		<i>\$7,779,697 Interest Expense Annualized</i>
Total Cash Balance	<u>\$186,435,000</u>	<u>\$22,779,697</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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

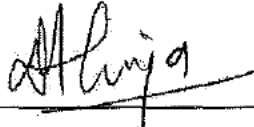
**CONFIDENTIAL** - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).

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: 

Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
**Consolidated Balance Sheet**  
**As of November 30, 2012**  
(In thousands)

<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 147,129
Restricted cash	37,001
Accounts receivable	10,608
Inventory	284,348
Prepaid expenses and other current assets	8,175
<b>Total current assets</b>	<u>467,261</u>
Operating lease vehicles, net	10,329
Property and equipment, net	522,000
Restricted cash	4,788
Other assets	22,122
<b>Total assets</b>	<u>\$ 1,026,500</u>
<b>Liabilities and Stockholders' Equity</b>	
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
<b>Total current liabilities</b>	<u>442,080</u>
Common stock warrant liability	9,734
Capital lease obligations, less current portion	6,237
Long-term debt, less current portion	414,208
Deferred revenue, less current portion	2,330
Other long term liabilities	18,553
<b>Total liabilities</b>	<u>893,140</u>
Stockholders' equity	
Common stock	106
Additional paid in capital	1,173,702
Accumulated other comprehensive income (loss)	-
Accumulated deficit	(1,040,448)
<b>Total stockholders' equity</b>	<u>133,360</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 1,026,500</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.

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**Exhibit 8.1(d)(i)**

**Tesla Motors, Inc**  
**Consolidated Statements of Operations**  
**For the Month and Eleven Months ended November 30, 2012**  
**(In thousands)**

	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	68,553	195,672
Development services		15,601
<b>Total revenues</b>	<b>68,553</b>	<b>211,274</b>
<b>Cost of revenues</b>		
Automotive sales	68,490	195,920
Development services		7,771
<b>Total cost of revenues</b>	<b>68,490</b>	<b>204,691</b>
<b>Gross profit</b>	<b>63</b>	<b>6,583</b>
<b>Operating expenses</b>		
Research & development	20,469	244,744
Selling, general and administrative	13,788	129,744
<b>Total operating expenses</b>	<b>34,257</b>	<b>374,488</b>
<b>Operating loss</b>	<b>(34,194)</b>	<b>(367,905)</b>
Interest income	13	234
Interest expense	(641)	(1,531)
Other income (expense)	(71)	(1,632)
<b>Loss before income taxes</b>	<b>(34,893)</b>	<b>(370,834)</b>
Tax	11	221
<b>Net loss</b>	<b>(34,904)</b>	<b>(371,055)</b>

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 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)(i)

Tesla Motors, Inc.  
**Consolidated Statement of Cash Flows**  
**For the Month and Eleven Months ended November 30, 2012**  
(in thousands)

	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
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	-	898
Discounts and premiums on short-term marketable securities	-	56
Stock based compensation	-	36,279
Non cash charges related to fixed assets	(207)	854
Inventory writedowns	-	4,197
Changes in operating assets and liabilities:		
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	<u>(20,510)</u>	<u>(316,088)</u>
<b>Cash flows from Investing activities</b>		
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	-	(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	<u>(21,641)</u>	<u>(222,369)</u>
<b>Cash flows from Financing activities</b>		
Proceeds from notes payable	-	188,771
Issuance of common stock in follow-on offering, net of issuance costs	-	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	<u>2,845</u>	<u>430,320</u>
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	<u>\$ 147,129</u>	<u>\$ 147,129</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.

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**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, 2012	\$313,907,557	<i>Covenant Requirement</i>
Current ratio as of November 30, 2012	<u>1.49</u>	> <u>1.40</u>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of November 30, 2012	\$147,128,772	<i>Covenant Requirement</i>
		\$15,000,000
		\$7,767,207 <i>Interest Expense Annualized</i>
Total Cash Balance	<u>\$147,128,772</u>	> <u>\$22,767,207</u>

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

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## FORM OF COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(d) and 8.2(b) 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 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 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 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

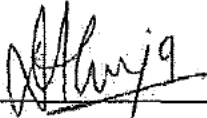


***CONFIDENTIAL** - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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:  \_\_\_\_\_

Name: Deepak Ahuja

Title: CFO

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Exhibit 8.1(d)(i)

Financial Statements

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)(i)

**Tesla Motors, Inc.**  
**Consolidated Balance Sheet**  
**As of December 31, 2012**  
**(In thousands)**

	<b>12/31/2012</b>
<b>Assets</b>	
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
<b>Total current assets</b>	<b>524,768</b>
Operating lease vehicles, net	10,071
Property and equipment, net	552,229
Restricted cash	5,169
Other assets	21,963
<b>Total assets</b>	<b>\$ 1,114,190</b>
<b>Liabilities and Stockholders' Equity</b>	
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
<b>Total current liabilities</b>	<b>539,108</b>
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
<b>Total liabilities</b>	<b>989,490</b>
Stockholders' equity	
Common stock	114
Additional paid in capital	1,190,192
Accumulated other comprehensive income (loss)	-
Accumulated deficit	(1,065,606)
<b>Total stockholders' equity</b>	<b>124,700</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,114,190</b>

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(d)(i)**

Tesla Motors, Inc  
**Consolidated Statements of Operations**  
**For the Month and Year ended December 31, 2012**  
(In thousands)

	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 190,027	\$ 385,699
Development services	11,955	27,557
<b>Total revenues</b>	<b>201,982</b>	<b>413,256</b>
<b>Cost of revenues</b>		
Automotive sales	174,738	371,658
Development services	3,760	11,531
<b>Total cost of revenues</b>	<b>178,498</b>	<b>383,189</b>
<b>Gross profit</b>	<b>23,484</b>	<b>30,067</b>
<b>Operating expenses</b>		
Research & development	29,234	273,978
Selling, general and administrative	20,628	150,372
<b>Total operating expenses</b>	<b>49,862</b>	<b>424,350</b>
<b>Operating loss</b>	<b>(26,377)</b>	<b>(394,283)</b>
Interest income	54	288
Interest expense	1,277	(254)
Other income (expense), net	(196)	(1,828)
<b>Loss before income taxes</b>	<b>(25,242)</b>	<b>(396,077)</b>
Tax	(84)	136
<b>Net loss</b>	<b>(25,158)</b>	<b>(396,213)</b>

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)(1)

Tesla Motors, Inc.  
**Consolidated Statement of Cash Flows**  
**For the Month and Year ended December 31, 2012**  
(In thousands)

	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
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		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:		
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	(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	<u>81,228</u>	<u>(234,860)</u>
<b>Cash flows from Investing activities</b>		
Purchases of property and equipment, excluding capital leases	(32,863)	(270,448)
Withdrawals from (transfers into) our dedicated Department of Energy account	14,648	8,620
Investment in short-term marketable securities	-	(14,992)
Maturities of short-term marketable securities	-	40,000
Increase (decrease) in restricted cash deposits	2,887	(1,330)
Net cash provided by (used in) investing activities	<u>(15,328)</u>	<u>(238,150)</u>
<b>Cash flows from Financing activities</b>		
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	-	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	<u>(11,139)</u>	<u>419,634</u>
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	<u>\$ 201,890</u>	<u>\$ 201,890</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.

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**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	<i>Covenant Requirement</i>
Current ratio as of December 31, 2012	<u>1.31</u>	<i>1.00</i>

**In accordance to Annex 9.1 (c) (ii)**

Cash balance as of December 31, 2012	\$201,890,000	<i>Covenant Requirement</i>
		<i>\$15,000,000</i>
		<i>\$7,912,158 Interest Expense Annualized</i>
Total Cash Balance	<u>\$201,890,000</u>	<u>\$22,912,158</u>

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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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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



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## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(b) and 8.1(d) 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 Sections 8.1(b) and 8.1(d) of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, 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. 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

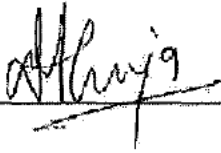
*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Tesla Motors, Inc. considers privileged, confidential and exempt from disclosure under the Freedom of Information Act (5 U.S.C. § 552(b)).*

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.

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

**TESLA MOTORS, INC.**

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[Signature page to Borrower Compliance Certificate (Q4-2012)]*

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Exhibit 8.1(d)(i)

Financial Statements

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)(i)

Tesla Motors, Inc.  
Consolidated Balance Sheets  
As of December 31, 2012 and December 31, 2011  
(In thousands)

Assets	(unaudited)	
<b>Current Assets</b>		
Cash and cash equivalents	\$ 201,890	\$ 255,268
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
<b>Total current assets</b>	<b>524,768</b>	<b>372,838</b>
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
<b>Total assets</b>	<b>\$ 1,114,190</b>	<b>\$ 713,448</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 303,382	\$ 66,141
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
<b>Total current liabilities</b>	<b>539,108</b>	<b>191,339</b>
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
<b>Total liabilities</b>	<b>989,490</b>	<b>489,403</b>
<b>Stockholders' equity</b>		
Common stock	115	104
Additional paid-in capital	1,190,191	893,336
Accumulated other comprehensive loss		(3)
Accumulated deficit	(1,065,608)	(669,392)
<b>Total stockholders' equity</b>	<b>124,700</b>	<b>224,045</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,114,190</b>	<b>\$ 713,448</b>

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(d)(i)

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

	Three months ended December 31,		Year ended December 31,	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>				
Automotive sales	\$ 294,377	\$ 32,677	\$ 385,699	\$ 148,568
Development services	11,955	6,690	27,557	55,674
<b>Total revenues</b>	<b>306,332</b>	<b>39,375</b>	<b>413,256</b>	<b>204,242</b>
<b>Cost of revenues</b>				
Automotive sales	278,710	25,241	371,658	115,482
Development services	3,765	6,299	11,531	27,165
<b>Total cost of revenues</b>	<b>282,475</b>	<b>31,540</b>	<b>383,189</b>	<b>142,647</b>
<b>Gross profit</b>	<b>23,857</b>	<b>7,835</b>	<b>30,067</b>	<b>61,595</b>
<b>Operating expenses</b>				
Research & development	68,832	61,206	273,978	208,981
Selling, general and administrative	45,908	27,566	150,372	104,102
<b>Total operating expenses</b>	<b>114,740</b>	<b>88,762</b>	<b>424,350</b>	<b>313,083</b>
<b>Loss from operations</b>	<b>(90,883)</b>	<b>(80,927)</b>	<b>(394,283)</b>	<b>(251,488)</b>
Interest income	85	89	288	255
Interest expense	(27)	(43)	(254)	(43)
Other income (expense), net	746	(495)	(1,828)	(2,646)
<b>Loss before income taxes</b>	<b>(90,079)</b>	<b>(81,376)</b>	<b>(396,077)</b>	<b>(253,922)</b>
Provision for (benefit from) income taxes	(147)	112	136	489
<b>Net loss</b>	<b>\$ (89,932)</b>	<b>\$ (81,488)</b>	<b>\$ (396,213)</b>	<b>\$ (254,411)</b>

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.

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Exhibit 8.1(d)(i)

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

	Three months ended December 31,		Year ended December 31,	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>				
Net loss	\$ (88,932)	\$ (81,488)	\$ (399,213)	\$ (254,411)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	12,793	4,804	28,825	16,919
Change in fair value of warrant liability	858	649	1,854	2,750
Discounts and premiums on short-term marketable securities	-	19	56	(112)
Stock based compensation	14,205	8,892	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 liabilities:				
Accounts receivable	(17,878)	8,711	(17,303)	(2,829)
Inventories and operating lease vehicles	(146,898)	(2,806)	(252,841)	(13,639)
Prepaid expenses and other current assets	(630)	837	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)	(1,828)
Reservation payments	479	26,546	47,056	81,006
Other long-term liabilities	6,820	350	10,255	2,641
Net cash used in operating activities	(28,839)	(27,088)	(234,861)	(114,304)
<b>Cash flows from Investing activities</b>				
Investment in short-term marketable securities	-	-	(14,892)	(84,952)
Maturities of short-term marketable securities	-	40,000	40,000	40,000
Purchases of property and equipment	(72,703)	(54,262)	(270,448)	(197,896)
Withdrawals out of (transfer into) our dedicated DoE account	148	31,829	8,620	50,121
Increase (decrease) in restricted cash deposits	(3,147)	(2,313)	(1,330)	(3,201)
Net cash provided by (used in) investing activities	(69,408)	15,254	(238,150)	(175,928)
<b>Cash flows from Financing activities</b>				
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)	-
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	222,060	-	222,060	172,728
Proceeds from issuance of common stock in private placements	-	-	-	59,058
Issuance costs	(112)	-	(584)	(318)
Net cash provided by financing activities	214,444	53,772	419,835	446,000
Increase (decrease) in cash and cash equivalents	116,197	41,938	(63,378)	155,708
Cash and cash equivalents, beginning of period	85,693	213,328	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.

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Stockholders' Equity  
 For the Year Ended December 31, 2012  
 (Unaudited)  
 (in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2011	104,530,305	\$ 104	\$ 893,337	\$ (609,393)	\$ (3)	\$ 224,045
Issuance of common stock in October 2012 secondary offering, net of issuance costs of \$584	7,984,601	8	221,488	-	-	221,496
Issuance of common stock upon exercise of stock options, net of repurchases	1,345,842	2	16,498	-	-	16,500
Issuance of common stock under employee stock purchase plan	373,526	1	8,383	-	-	8,384
Stock-based compensation	-	-	50,485	-	-	50,485
Comprehensive loss:						
Net loss				(396,213)		(396,213)
Unrealized loss on short-term marketable securities, net					3	3
Total comprehensive loss						(396,210)
Balance as of December 31, 2012	114,214,274	\$ 115	\$ 1,190,191	\$ (1,065,606)	\$ -	\$ 124,700

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Exhibit 8.1(d)(6)

Tesla Motors, Inc.  
Consolidating Balance Sheet  
As of December 31, 2012  
(Unaudited)  
(In thousands)

	US	Canada	United Kingdom	Netherlands	Italy	Norway	Denmark	Switzerland	France	Monaco	Germany	UK	Singapore	Hong Kong	Japan	Australia	U.S. Operations	Consolidated Total
<b>Assets</b>																		
<b>Current Assets</b>																		
Cash and cash equivalents	\$ 177,071	\$ 11,244	\$ 413	\$ 2,569	\$ 167	\$ 1,307	\$ 289	\$ 884	\$ 785	\$ -	\$ 1,174	\$ 3,174	\$ -	\$ 1,081	\$ 1,092	\$ 618	\$ -	\$ 201,890
Short-term marketable securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	18,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,094
Accounts receivable	28,148	1,160	124	25	0	15	130	(1)	4	-	23	216	-	-	-	-	3	29,342
Inventory	265,287	242	-	130	291	258	128	721	286	-	686	74	-	-	-	-	-	268,504
Prepaid expenses and other current assets	5,513	386	2	5	205	74	99	16	83	6	274	1,589	-	15	40	33	-	8,433
Intercompany Receivables	25,440	-	-	2,484	1,879	1,492	2,006	2,280	1,277	1,654	2,548	27,493	-	-	-	-	-	6
Total current assets	517,254	13,011	559	7,208	2,622	3,154	3,244	4,632	2,432	1,800	6,001	32,566	-	1,096	1,122	656	(72,311)	584,199
Operating lease vehicles, net	-	1,102	6,779	-	-	-	-	912	81	-	879	1,448	-	-	-	-	(1,130)	10,071
Property, plant and equipment, net	549,807	101	-	363	107	84	25	332	41	-	164	469	-	42	663	81	-	552,229
Restricted cash	4,335	-	-	374	-	152	-	280	-	-	-	48	-	-	-	-	-	5,159
Other assets	20,657	34	-	-	49	-	71	-	179	-	90	441	-	44	498	-	-	21,862
Investment in Subsidiaries	381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(301)	8
Total assets	\$ 1,092,754	\$ 14,248	\$ 7,317	\$ 7,844	\$ 2,779	\$ 3,240	\$ 3,331	\$ 5,563	\$ 2,724	\$ 1,800	\$ 7,125	\$ 34,772	\$ -	\$ 1,181	\$ 2,189	\$ 736	\$ (72,241)	\$ 1,114,199
<b>Liabilities and Stockholders' Equity</b>																		
<b>Current Liabilities</b>																		
Accounts Payable	\$ 301,207	\$ 136	\$ 5	\$ 242	\$ 4	\$ 38	\$ 55	\$ 458	\$ 183	\$ -	\$ 128	\$ 895	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ 303,382
Accrued liabilities	36,884	1,147	20	278	44	151	133	241	83	6	115	1,440	1	(7)	223	44	-	38,758
Deferred revenue	468	172	479	-	-	-	-	221	29	-	132	349	-	-	-	-	-	1,309
Capital lease obligations, current portion	4,244	-	-	-	-	-	9	7	7	-	-	-	-	-	-	-	6	4,365
Residual payments	129,677	3,049	48	1,572	-	2	189	107	8	-	40	68	-	94	2,645	366	-	134,817
Long-term debt, current portion	53,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,841
Intercompany Payables	784	8,874	8,865	8,332	2,709	3,000	2,090	3,560	2,300	1,780	5,133	29,330	227	1,086	(720)	232	(72,316)	12
Total Current Liabilities	525,306	13,777	8,417	7,039	2,757	3,221	2,226	4,632	2,620	1,789	5,908	32,000	(70)	1,143	2,145	658	(72,316)	539,138
Contingent liability	10,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,692
Capital lease obligations, less current portion	8,912	-	-	-	-	-	10	-	7	-	-	-	-	-	-	19	-	9,035
Deferred revenue, less current portion	2,291	(85)	124	2	-	-	-	239	-	-	138	318	-	-	-	-	-	3,060
Long term debt, less current portion	401,495	-	-	-	-	-	-	543	58	-	85	896	-	-	-	-	-	401,495
Other long term liabilities	77,535	425	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77,960
Total liabilities	870,112	14,140	8,541	7,841	2,757	3,221	2,226	5,185	2,685	1,789	6,873	32,434	(70)	1,143	2,159	721	(72,210)	904,498
<b>Stockholders' equity:</b>																		
Common Stock	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115
Additional paid in capital	1,190,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,190,191
US capital investment in subsidiaries	-	-	-	29	14	23	23	18	26	22	33	30	20	0	57	1	(59)	(7)
Accumulated deficit	(682,644)	105	360	3	18	9	19	157	14	77	294	1,483	11	64	(74)	12	(2,150)	(681,393)
Net Loss	(297,429)	-	416	73	23	67	(3)	(17)	19	2	33	(122)	159	15	27	2	1,800	(295,213)
Total stockholders' equity	122,642	138	778	103	28	118	42	175	29	101	440	1,307	25	63	40	15	(1,431)	124,700
Total liabilities and stockholders' equity	\$ 1,092,754	\$ 14,248	\$ 7,317	\$ 7,844	\$ 2,779	\$ 3,240	\$ 3,331	\$ 5,563	\$ 2,724	\$ 1,800	\$ 7,125	\$ 34,772	\$ -	\$ 1,181	\$ 2,189	\$ 736	\$ (72,241)	\$ 1,114,199

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 0.1(d)(i)

Tesla Motors, Inc.  
Consolidating Statement of Operations  
For the Year Ended December 31, 2012  
(Unaudited)  
(In thousands)

	US	Canada	Leasing	Netherlands	Italy	Norway	Denmark	Switzerland	France	Hong Kong	Germany	UK	Singapore	Hong Kong	Japan	Australia	IS Elimination	Consolidated Total
<b>Revenues</b>																		
Automotive sales	\$ 320,849	\$ 10,447	\$ 3,333	\$ 1,209	\$ 872	\$ 4,238	\$ 1,009	\$ 3,496	\$ 1,708	\$ 6	\$ 10,571	\$ 11,048	\$ -	\$ 2,265	\$ 3,432	\$ 1,698	\$ (110)	\$ 385,656
Development services	11,096	-	-	-	-	-	-	-	-	-	-	15,860	-	-	-	-	-	27,567
Intercompany revenue	46,702	-	776	537	571	-	714	-	123	-	600	278	-	-	-	-	(50,103)	(9)
<b>Total revenues</b>	<b>388,241</b>	<b>10,447</b>	<b>4,115</b>	<b>1,747</b>	<b>1,242</b>	<b>4,238</b>	<b>1,724</b>	<b>3,496</b>	<b>1,832</b>	<b>6</b>	<b>11,477</b>	<b>12,186</b>	<b>-</b>	<b>2,265</b>	<b>3,432</b>	<b>1,698</b>	<b>(150,213)</b>	<b>413,256</b>
<b>Cost of revenues</b>																		
Automotive sales	306,419	725	2,813	117	29	77	54	485	109	4	471	1,250	-	-	133	102	(1,140)	371,658
Development services	11,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,531
Intercompany COGS	6,215	6,627	615	322	519	3,273	621	1,257	1,132	(44)	6,623	16,522	-	1,475	567	1,050	(16,965)	0
<b>Total cost of revenues</b>	<b>323,165</b>	<b>8,352</b>	<b>3,433</b>	<b>439</b>	<b>648</b>	<b>3,350</b>	<b>676</b>	<b>1,742</b>	<b>1,241</b>	<b>(39)</b>	<b>7,096</b>	<b>17,772</b>	<b>-</b>	<b>1,475</b>	<b>700</b>	<b>1,152</b>	<b>(18,105)</b>	<b>389,183</b>
<b>Gross profit</b>	<b>65,076</b>	<b>2,095</b>	<b>682</b>	<b>1,308</b>	<b>594</b>	<b>888</b>	<b>1,048</b>	<b>1,754</b>	<b>591</b>	<b>45</b>	<b>4,381</b>	<b>4,414</b>	<b>-</b>	<b>790</b>	<b>2,732</b>	<b>546</b>	<b>817</b>	<b>25,073</b>
<b>Operating expenses</b>																		
Research & development	273,240	-	-	-	6	-	-	-	13	-	37	650	-	-	-	-	-	273,976
Selling, general and administrative	127,607	1,021	68	1,181	691	900	1,105	1,727	580	46	2,291	5,611	17	776	2,728	717	-	160,972
<b>Total operating expenses</b>	<b>400,847</b>	<b>1,021</b>	<b>68</b>	<b>1,187</b>	<b>697</b>	<b>902</b>	<b>1,105</b>	<b>1,727</b>	<b>593</b>	<b>46</b>	<b>2,328</b>	<b>6,261</b>	<b>7</b>	<b>776</b>	<b>2,728</b>	<b>717</b>	<b>-</b>	<b>434,259</b>
<b>Loss from operations</b>	<b>(335,771)</b>	<b>73</b>	<b>416</b>	<b>(117)</b>	<b>(3)</b>	<b>47</b>	<b>(58)</b>	<b>(17)</b>	<b>(2)</b>	<b>(1)</b>	<b>54</b>	<b>164</b>	<b>(7)</b>	<b>18</b>	<b>24</b>	<b>17</b>	<b>(817)</b>	<b>(334,283)</b>
Interest income	227	0	-	1	-	42	-	0	-	-	-	-	-	-	2	5	-	280
Interest expense	(240)	-	-	-	-	(0)	(3)	(2)	(2)	-	-	-	-	-	-	(1)	-	(254)
Other income (expense), net	(1,577)	(32)	0	(20)	2	14	30	(20)	22	(13)	(29)	(282)	2	0	123	(7)	112	(1,829)
<b>Loss before income taxes</b>	<b>(337,661)</b>	<b>41</b>	<b>416</b>	<b>81</b>	<b>(1)</b>	<b>163</b>	<b>1</b>	<b>(1)</b>	<b>32</b>	<b>(94)</b>	<b>33</b>	<b>(285)</b>	<b>(5)</b>	<b>18</b>	<b>149</b>	<b>15</b>	<b>1,032</b>	<b>(338,077)</b>
Provision for income taxes	158	38	-	20	2	16	2	(7)	3	(95)	0	(167)	-	-	83	13	-	136
<b>Net loss</b>	<b>\$ (337,819)</b>	<b>\$ 79</b>	<b>\$ 416</b>	<b>\$ 73</b>	<b>\$ (1)</b>	<b>\$ 179</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>\$ 35</b>	<b>\$ 1</b>	<b>\$ 33</b>	<b>\$ (227)</b>	<b>\$ (5)</b>	<b>\$ 16</b>	<b>\$ 157</b>	<b>\$ 28</b>	<b>\$ 1,032</b>	<b>\$ (338,215)</b>

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
 Consolidating Statement of Operations  
 For the Three Months Ended December 31, 2012  
 (Unaudited)  
 (in thousands)

	US	Canada	Germany	Netherlands	Italy	Norway	Denmark	Switzerland	France	Malaysia	Germany	UK	Hong Kong	Japan	Australia	IC Elimination	Consolidation Total
<b>Revenues</b>																	
Automotive sales	\$ 277,782	\$ 9,979	\$ 815	\$ (745)	\$ 134	\$ 676	\$ 133	\$ 714	\$ 314	\$ -	\$ 1,650	\$ 2,226	\$ 208	\$ 45	\$ 434	\$ -	\$ 284,577
Development services	345	-	-	-	-	-	-	-	-	-	-	11,810	-	-	-	-	11,895
Intercompany revenue	17,254	-	696	263	-	-	247	-	-	-	112	2	-	-	-	(18,572)	(0)
<b>Total revenues</b>	<b>295,381</b>	<b>9,979</b>	<b>1,511</b>	<b>(1,481)</b>	<b>134</b>	<b>676</b>	<b>380</b>	<b>714</b>	<b>314</b>	<b>-</b>	<b>1,774</b>	<b>12,638</b>	<b>208</b>	<b>45</b>	<b>434</b>	<b>(18,572)</b>	<b>304,332</b>
<b>Cost of revenues</b>																	
Automotive sales	277,103	536	673	39	7	33	12	87	55	-	157	278	-	21	11	(259)	278,710
Development services	3,765	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,765
Intercompany COGS	3,148	8,524	733	(1,147)	(49)	13	79	115	60	(78)	819	6,511	(136)	(2,063)	(155)	(18,562)	0
<b>Total cost of revenues</b>	<b>283,816</b>	<b>9,160</b>	<b>1,411</b>	<b>(1,111)</b>	<b>(43)</b>	<b>51</b>	<b>90</b>	<b>203</b>	<b>148</b>	<b>(78)</b>	<b>1,076</b>	<b>6,799</b>	<b>(136)</b>	<b>(2,062)</b>	<b>(144)</b>	<b>(18,562)</b>	<b>282,435</b>
<b>Gross profit</b>	<b>11,564</b>	<b>819</b>	<b>100</b>	<b>330</b>	<b>176</b>	<b>625</b>	<b>290</b>	<b>512</b>	<b>166</b>	<b>78</b>	<b>698</b>	<b>5,849</b>	<b>344</b>	<b>2,108</b>	<b>578</b>	<b>318</b>	<b>23,897</b>
<b>Operating expenses</b>																	
Research & development	56,775	-	-	-	(8)	-	-	-	-	-	(16)	73	-	-	-	-	56,832
Selling, general and administrative	39,502	478	13	409	147	258	230	426	142	4	678	2,483	187	705	150	-	46,908
<b>Total operating expenses</b>	<b>96,277</b>	<b>478</b>	<b>13</b>	<b>409</b>	<b>141</b>	<b>258</b>	<b>230</b>	<b>426</b>	<b>142</b>	<b>4</b>	<b>662</b>	<b>2,561</b>	<b>187</b>	<b>705</b>	<b>150</b>	<b>-</b>	<b>144,743</b>
<b>Loss from operations</b>	<b>(84,713)</b>	<b>359</b>	<b>13</b>	<b>221</b>	<b>36</b>	<b>363</b>	<b>59</b>	<b>65</b>	<b>27</b>	<b>74</b>	<b>33</b>	<b>2,465</b>	<b>199</b>	<b>1,402</b>	<b>428</b>	<b>318</b>	<b>(90,883)</b>
Interest income	42	0	-	0	-	42	-	0	-	-	-	-	-	-	0	-	85
Interest expense	(251)	-	-	-	-	(0)	(1)	-	(0)	-	-	-	-	-	(1)	-	(252)
Other expense, net	361	23	0	(5)	(1)	0	(2)	(87)	(13)	(20)	(16)	134	-	138	1	-	746
<b>Loss before income taxes</b>	<b>(96,521)</b>	<b>382</b>	<b>13</b>	<b>215</b>	<b>35</b>	<b>419</b>	<b>56</b>	<b>19</b>	<b>14</b>	<b>94</b>	<b>23</b>	<b>2,681</b>	<b>199</b>	<b>1,540</b>	<b>428</b>	<b>318</b>	<b>(93,079)</b>
Benefit from income taxes	69	36	-	12	1	13	-	(16)	3	(68)	(55)	(167)	1	69	15	(85)	(147)
<b>Net loss</b>	<b>\$ (96,507)</b>	<b>\$ 322</b>	<b>\$ 13</b>	<b>\$ 204</b>	<b>\$ 33</b>	<b>\$ 406</b>	<b>\$ 53</b>	<b>\$ 33</b>	<b>\$ 19</b>	<b>\$ 130</b>	<b>\$ 72</b>	<b>\$ 2,640</b>	<b>\$ 199</b>	<b>\$ 1,471</b>	<b>\$ 413</b>	<b>\$ 418</b>	<b>\$ (99,532)</b>

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(d)(III)**

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

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	<i>Minimum Ratio Requirement</i>
Current ratio as of December 31, 2012	<u>1.31</u>	> 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	<i>Maximum Percentage Requirement</i>
	<u>105%</u>	< 120%

The other covenants which previously applied to the current period were waived pursuant to the Limited Waiver to the Loan Arrangement and Reimbursement Agreement dated February 22, 2012.

*CONFIDENTIAL - This document was developed at private expense and includes trade secrets and commercial or financial information, or both, that Testa 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)(iv)

*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)).*

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 <u>Exhibit 8.1(d)(i)</u> :  | \$ 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:

<u>Aggregate Principal Amount Originated</u>	<u>Permitted Receivables Financing Program</u>
\$ 9.7 MM	(b) (4)

- (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:

<u>Aggregate Principal Amount Sold</u>	<u>Total Consideration Received</u>	<u>Permitted Receivables Financing Program</u>
\$7.2 MM	\$7.2 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:

<u>Customer Loan Limit</u>	<u>Customer Loan Balance</u>
\$15 MM	\$1.3 MM

*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)).*

## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(a) and 8.1(d) 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 Sections 8.1(a) and 8.1(d) of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, 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. 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 Section 8.1(d)(ii) 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;



*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)).*

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

*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)(i)

Financial Statements

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)(i)

Tesla Motors, Inc.  
Consolidated Balance Sheet  
As of February 28, 2013  
(In thousands)

	<b>2/28/2013</b>
	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 59,274
Restricted cash	33,595
Accounts receivable	35,528
Inventory	299,587
Prepaid expenses and other current assets	9,425
<b>Total current assets</b>	<b>437,409</b>
Operating lease vehicles, net	9,353
Property and equipment, net	562,262
Restricted cash	5,147
Other assets	22,011
<b>Total assets</b>	<b>\$ 1,036,182</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
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
<b>Total current liabilities</b>	<b>483,114</b>
Common stock warrant liability	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
<b>Total liabilities</b>	<b>933,718</b>
<b>Stockholders' equity</b>	
Common stock	115
Additional paid in capital	1,205,591
Accumulated other comprehensive income (loss)	-
Accumulated deficit	(1,103,242)
<b>Total stockholders' equity</b>	<b>102,464</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,036,182</b>

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.

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)(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
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 150,763	\$ 233,537
Development services	5,128	5,128
<b>Total revenues</b>	<b>155,891</b>	<b>238,665</b>
<b>Cost of revenues</b>		
Automotive sales	139,383	217,116
Development services	1,172	1,914
<b>Total cost of revenues</b>	<b>140,555</b>	<b>219,030</b>
<b>Gross profit</b>	<b>15,336</b>	<b>19,635</b>
<b>Operating expenses</b>		
Research & development	16,383	32,136
Selling, general and administrative	15,285	27,369
<b>Total operating expenses</b>	<b>31,668</b>	<b>59,505</b>
<b>Operating loss</b>	<b>(16,332)</b>	<b>(39,870)</b>
Interest income	4	(14)
Interest expense	(582)	(1,478)
Other income, net	2,590	3,733
<b>Loss before income taxes</b>	<b>(14,320)</b>	<b>(37,629)</b>
Tax	5	5
<b>Net loss</b>	<b>(14,325)</b>	<b>(37,634)</b>

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 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)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Cash Flows  
 For the Month and Two Months ended February 28, 2013  
 (in thousands)

	2/28/2013	YTD 2013
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
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	<u>(5,990)</u>	<u>(111,911)</u>
<b>Cash flows from Investing activities</b>		
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	<u>(29,199)</u>	<u>(45,621)</u>
<b>Cash flows from Financing activities</b>		
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	<u>9,808</u>	<u>14,916</u>
Decrease in cash and cash equivalents	(25,381)	(142,616)
Cash and cash equivalents, beginning of period	84,655	201,890
Cash and cash equivalents, end of period	<u>\$ 59,274</u>	<u>\$ 59,274</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.

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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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

*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)).*

## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(a) and 8.1(d) 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 Sections 8.1(a) and 8.1(d) of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, 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.

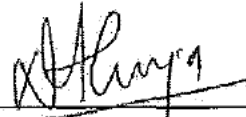
On behalf of the Borrower, I, Deepak Ahuja, HEREBY CERTIFY that I am the duly elected and qualified Chief Financial Officer of the Borrower, and FURTHER CERTIFY that, as of the date hereof:

1. 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 Section 8.1(d)(ii) 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;

*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)).*

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: CFD



***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)(i)

Financial Statements

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)(i)

Tesla Motors, Inc.  
**Consolidated Balance Sheet**  
 As of March 31, 2013  
 (In thousands)

	(Unaudited)
<b>Assets</b>	
<b>Current Assets</b>	
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
<b>Total current assets</b>	<b>525,993</b>
Operating lease vehicles, net	9,060
Property and equipment, net	581,997
Restricted cash	5,044
Other assets	21,684
<b>Total assets</b>	<b>\$ 1,143,778</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 304,204
Accrued liabilities	40,711
Deferred revenue	3,701
Capital lease obligations, current portion	5,452
Customer deposits	130,714
Current portion of long term debt	50,841
<b>Total current liabilities</b>	<b>535,623</b>
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
<b>Total liabilities</b>	<b>975,195</b>
<b>Stockholders' equity</b>	
Common stock	115
Additional paid in capital	1,222,825
Accumulated other comprehensive income (loss)	-
Accumulated deficit	(1,054,357)
<b>Total stockholders' equity</b>	<b>168,583</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,143,778</b>

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.

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)(i)

Tesla Motors, Inc  
Consolidated Statements of Operations  
For the Month and Year ended March 31, 2013  
(In thousands)

	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 321,666	\$ 555,203
Development services	1,481	6,589
<b>Total revenues</b>	<b>323,127</b>	<b>561,792</b>
<b>Cost of revenues</b>		
Automotive sales	244,701	461,818
Development services	1,738	3,654
<b>Total cost of revenues</b>	<b>246,439</b>	<b>465,472</b>
<b>Gross profit</b>	<b>76,688</b>	<b>96,320</b>
<b>Operating expenses</b>		
Research & development	22,723	54,859
Selling, general and administrative	19,676	47,045
<b>Total operating expenses</b>	<b>42,399</b>	<b>101,904</b>
<b>Operating loss</b>	<b>34,289</b>	<b>(5,584)</b>
Interest income	4	10
Interest expense	1,381	(118)
Other income, net	13,368	17,091
<b>Loss before income taxes</b>	<b>49,032</b>	<b>11,399</b>
Tax	146	151
<b>Net income</b>	<b>48,886</b>	<b>11,248</b>

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 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)(i)

Tesla Motors, Inc.  
**Consolidated Statement of Cash Flows**  
**For the Month and Year ended March 31, 2013**  
(in thousands)

	<u>3/31/2013</u>	<u>YTD 2013</u>
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net loss	\$ 48,865	\$ 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	(10,611)	(19,297)
Inventory and operating lease vehicles	78,823	18,356
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	<u>175,989</u>	<u>64,079</u>
<b>Cash flows from Investing activities</b>		
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	<u>(9,615)</u>	<u>(55,236)</u>
<b>Cash flows from Financing activities</b>		
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	<u>(11,231)</u>	<u>3,684</u>
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	<u>\$ 214,417</u>	<u>\$ 214,417</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.

*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)(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 <u>Exhibit 8.1(d)(i)</u> :	\$ 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

*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)).

## COMPLIANCE CERTIFICATE

(Delivered pursuant to Section 8.1(b) and 8.1(d) 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 Sections 8.1(b) and 8.1(d) of the Loan Arrangement and Reimbursement Agreement, dated as of January 20, 2010 (as amended, 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. 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 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


*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)).*

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.

*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)).*

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

**TESLA MOTORS, INC.**

By:  \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



*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)(i)

Financial Statements

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)(i)

Tesla Motors, Inc.  
Consolidated Balance Sheets  
As of March 31, 2013 and December 31, 2012  
(In thousands)

	(unaudited)	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 214,417	\$ 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
<b>Total current assets</b>	<b>525,993</b>	<b>524,768</b>
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
<b>Total assets</b>	<b>\$ 1,143,778</b>	<b>\$ 1,114,190</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 364,204	\$ 303,982
Accrued liabilities	40,711	39,798
Deferred revenue	3,701	1,906
Capital lease obligations, current portion	5,452	4,365
Reservation payments	130,714	138,817
Long term debt, current portion	50,841	50,841
<b>Total current liabilities</b>	<b>535,523</b>	<b>539,108</b>
Common stock warrant 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
<b>Total liabilities</b>	<b>975,195</b>	<b>989,490</b>
<b>Stockholders' equity</b>		
Common stock	115	115
Additional paid-in capital	1,222,625	1,190,191
Accumulated other comprehensive loss	-	-
Accumulated deficit	(1,054,357)	(1,065,606)
<b>Total stockholders' equity</b>	<b>168,583</b>	<b>124,700</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,143,778</b>	<b>\$ 1,114,190</b>

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(d)(i)

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

	Three months ended	
	March 31,	
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Automotive sales	\$ 656,203	\$ 19,245
Development services	6,589	10,922
<b>Total revenues</b>	<b>561,792</b>	<b>30,167</b>
<b>Cost of revenues</b>		
Automotive sales	461,818	13,932
Development services	3,654	6,025
<b>Total cost of revenues</b>	<b>465,472</b>	<b>19,957</b>
<b>Gross profit</b>	<b>96,320</b>	<b>10,210</b>
<b>Operating expenses</b>		
Research & development	54,859	68,381
Selling, general and administrative	47,045	30,582
<b>Total operating expenses</b>	<b>101,904</b>	<b>98,973</b>
<b>Loss from operations</b>	<b>(6,584)</b>	<b>(88,763)</b>
Interest income	10	90
Interest expense	(118)	(65)
Other income (expense), net	17,091	(1,075)
<b>Income (loss) before income taxes</b>	<b>11,399</b>	<b>(89,814)</b>
Provision for income taxes	151	59
<b>Net Income (Loss)</b>	<b>\$ 11,248</b>	<b>\$ (89,873)</b>

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Exhibit 8.1(d)(i)

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

	Three months ended	
	March 31,	
	(Unaudited)	(Unaudited)
<b>Cash flows from Operating activities</b>		
Net income (loss)	\$ 11,248	\$ (89,873)
Adjustments to reconcile net loss to net cash used in operating activities:		
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 liabilities:		
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
Other long-term liabilities	9,834	790
Net cash provided by (used in) operating activities	64,079	(63,300)
<b>Cash flows from Investing activities</b>		
Investment in short-term marketable securities	-	(14,992)
Maturities of short-term marketable securities	-	15,000
Purchases of property and equipment	(57,727)	(54,774)
Withdrawals out of our dedicated DoE account	(69)	(10,998)
Decrease (increase) in restricted cash deposits	2,560	(463)
Net cash used in investing activities	(55,236)	(66,227)
<b>Cash flows from Financing activities</b>		
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	255,265
Cash and cash equivalents, end of period	\$ 214,417	\$ 218,570

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
 Consolidated Statement of Stockholders' Equity  
 For the Three Months Ended March 31, 2013  
 (Unaudited)  
 (in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
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 options & ESPP	946,766	-	17,903	-	-	17,903
Stock-based compensation	-	-	14,731	-	-	14,731
Net income	-	-	-	11,248	-	11,248
Balance as of March 31, 2013	115,161,040	\$ 115	\$ 1,222,825	\$ (1,054,357)	\$ -	\$ 168,583

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Exhibit 8.1(d)(i)

Tesla Motors, Inc.  
Consolidating Balance Sheet  
As of March 31, 2013  
(Unaudited)  
(In thousands)

	US	Canada	Leasing	International	Italy	Norway	Denmark	Switzerland	France	U.K.	Germany	UK	Singapore	Japan	Australia	NC Elimination	Consolidating Total	
<b>Assets</b>																		
<b>Current assets</b>																		
Cash and cash equivalents	\$ 169,920	\$ 12,055	\$ 258	\$ 11,458	\$ 11	\$ 1,858	\$ 211	\$ 409	\$ 79	\$ 674	\$ 5,422	\$ 799	\$ 1,016	\$ 559	\$	\$	\$ 214,447	
Investments in market securities																	\$	
Restricted cash	16,719																\$ 16,719	
Accounts receivable	42,141	1,712	157	35		55	7	34	5	186	1,501		2		1		\$ 48,130	
Inventory	294,918	160		193		99	124	322	277	840	253		67		4		\$ 297,618	
Prepaid expenses and other current assets	5,177	1,421		39	215	111		42	49	6	235		2,316		331	43	23	
Intercompany receivables	11,120			39,780	(3,239)	6,079	3,844	4,051	1,508	1,827	5,039	28,251					\$ 78,440	
<b>Total current assets</b>	<b>479,744</b>	<b>15,352</b>	<b>425</b>	<b>41,424</b>	<b>2,517</b>	<b>8,207</b>	<b>4,236</b>	<b>5,999</b>	<b>1,975</b>	<b>1,533</b>	<b>7,087</b>	<b>36,235</b>	<b>-</b>	<b>1,038</b>	<b>1,121</b>	<b>583</b>	<b>(81,642)</b>	<b>525,969</b>
Operating lease vehicles, net		928	5,950					885	78		328	1,258					9,447	
Property and equipment, net	576,778	1,101		239	89	100	30	344	39		373		(43)	600	73		\$ 611,607	
Restricted cash	4,120			383		274		270			5						\$ 5,042	
Other assets	20,415	194		48		69	5	105		102	415		44	371	22		\$ 21,654	
Investment subsidiaries	901			69													\$ 970	
<b>Total assets</b>	<b>\$ 1,084,338</b>	<b>\$ 18,413</b>	<b>\$ 6,374</b>	<b>\$ 42,195</b>	<b>\$ 2,581</b>	<b>\$ 8,591</b>	<b>\$ 4,385</b>	<b>\$ 7,790</b>	<b>\$ 2,758</b>	<b>\$ 1,633</b>	<b>\$ 8,141</b>	<b>\$ 36,437</b>	<b>\$ -</b>	<b>\$ 1,067</b>	<b>\$ 2,092</b>	<b>\$ 602</b>	<b>\$ (82,654)</b>	<b>\$ 1,143,778</b>
<b>Liabilities and Stockholders' Equity</b>																		
<b>Current liabilities</b>																		
Accounts payable	\$ 302,498	\$ 434	\$ 8	\$ 188	\$ 10	\$ 108	\$ 127	\$ 8	\$ 26	\$ 784	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 304,204	
Accrued liabilities	36,024	1,849	17	627	14	174	334	287	84	30	1,107	1	171	164	48		\$ 40,711	
Deferred revenue	2,335	270	440				100	18		167	283						\$ 3,761	
Capital lease obligations, current portion	5,429						9										\$ 5,429	
Reservation payments	85,605	3,444	33	29,868	59	4,328	1,040	1,753	193	1,167	374		29	2,814	398		\$ 120,714	
Current portion of long term debt	50,841																\$ 50,841	
Intercompany payables	1,158	8,952	4,070	(11,847)	2,435	3,311	2,974	1,674	1,848	1,723	5,942	21,797	4,256	3,204	1,029	249	\$ 48,648	
<b>Total current liabilities</b>	<b>464,083</b>	<b>12,944</b>	<b>5,407</b>	<b>42,231</b>	<b>2,621</b>	<b>8,519</b>	<b>4,373</b>	<b>4,158</b>	<b>2,131</b>	<b>1,728</b>	<b>8,892</b>	<b>35,971</b>	<b>(29)</b>	<b>1,227</b>	<b>2,517</b>	<b>701</b>	<b>(81,648)</b>	<b>538,523</b>
Convertible preferred stock warrant liability																	\$	
Convertible preferred stock liability																	\$	
Capital lease obligations, less current portion	(10,417)																\$ 10,489	
Deferred revenue, less current portion	4,840	(87)	38	2				185		114	231			43			\$ 5,223	
Long-term debt, less current portion	398,785																\$ 398,785	
Other long-term liabilities	37,531	457						622	36		610	650			0		\$ 45,104	
<b>Total liabilities</b>	<b>\$ 860,636</b>	<b>\$ 13,013</b>	<b>\$ 5,445</b>	<b>\$ 42,231</b>	<b>\$ 2,621</b>	<b>\$ 8,519</b>	<b>\$ 4,373</b>	<b>\$ 4,780</b>	<b>\$ 2,167</b>	<b>\$ 1,764</b>	<b>\$ 9,517</b>	<b>\$ 37,521</b>	<b>\$ (29)</b>	<b>\$ 1,270</b>	<b>\$ 2,520</b>	<b>\$ 701</b>	<b>\$ (81,648)</b>	<b>\$ 943,198</b>
<b>Stockholders' equity</b>																		
Common stock	115																\$ 115	
Additional paid-in capital	1,222,825																\$ 1,222,825	
US Capital investment in subsidiaries			29	14	23	23	19	29	22	102	36	20	9	67	12	(368)	\$ 398	
Accumulated deficit	(1,607,063)	108	778	77	15	98	19	158	33	79	427	1,331	5	89	(17)	14	\$ (1,139)	
Net loss	6,446	3,261	85	(1,431)	32	(962)	(137)	(148)	(37)	36	(477)	110	(106)	(238)	(477)	(369)	\$ 11,246	
<b>Total stockholders' equity</b>	<b>143,702</b>	<b>3,399</b>	<b>862</b>	<b>(18)</b>	<b>40</b>	<b>64</b>	<b>5</b>	<b>323</b>	<b>63</b>	<b>184</b>	<b>325</b>	<b>1,377</b>	<b>25</b>	<b>(170)</b>	<b>(437)</b>	<b>(178)</b>	<b>(1,304)</b>	<b>198,580</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,084,338</b>	<b>\$ 18,413</b>	<b>\$ 6,374</b>	<b>\$ 42,195</b>	<b>\$ 2,581</b>	<b>\$ 8,591</b>	<b>\$ 4,385</b>	<b>\$ 7,790</b>	<b>\$ 2,758</b>	<b>\$ 1,633</b>	<b>\$ 8,141</b>	<b>\$ 36,437</b>	<b>\$ -</b>	<b>\$ 1,067</b>	<b>\$ 2,092</b>	<b>\$ 602</b>	<b>\$ (82,654)</b>	<b>\$ 1,143,778</b>

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EXHIBIT B.1(a)(i)

Tesla Motors, Inc.  
Consolidating Statement of Operations  
For the Three Months Ended March 31, 2013  
(Unaudited)  
(in thousands)

	US	Canada	Europe	North America	Asia	Australia	Germany	Switzerland	France	Mexico	Denmark	UK	South Korea	China	Japan	India	Other	Total
<b>Revenues</b>																		
Automotive sales	\$ 53,907	\$ 17,970	\$ 510	\$ 174,240	\$ 209,387	\$ 200	\$ 20	\$ 679	\$ 227	\$ 27	\$ 2	\$ 120	\$ 120	\$ 100	\$ 204	\$ 22	\$ 530,277	
Development services																		6,989
Intercompany revenues	17,651	78	327															(17,904)
<b>Total revenues</b>	<b>89,208</b>	<b>18,026</b>	<b>837</b>	<b>174,240</b>	<b>209,596</b>	<b>200</b>	<b>20</b>	<b>679</b>	<b>227</b>	<b>27</b>	<b>2</b>	<b>120</b>	<b>120</b>	<b>100</b>	<b>204</b>	<b>22</b>	<b>536,592</b>	
<b>Cost of revenues</b>																		
Automotive sales	49,076	818	505	175,424	195,415	195	15	621	226	10	1	114	114	98	188	22	508,285	
Development services	3,032																	3,654
Intercompany COGS	13,027	244	700															(17,990)
<b>Total cost of revenues</b>	<b>65,135</b>	<b>11,066</b>	<b>1,205</b>	<b>175,424</b>	<b>195,430</b>	<b>195</b>	<b>15</b>	<b>621</b>	<b>226</b>	<b>10</b>	<b>1</b>	<b>114</b>	<b>114</b>	<b>98</b>	<b>188</b>	<b>22</b>	<b>520,449</b>	
<b>Gross profit</b>	<b>24,073</b>	<b>6,960</b>	<b>632</b>	<b>0</b>	<b>14,166</b>	<b>10</b>	<b>5</b>	<b>58</b>	<b>1</b>	<b>17</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>56,143</b>
<b>Operating expenses</b>																		
Research & development	54,770																	54,770
Selling, general and administrative	40,834	716	23	814	155	301	314	322	117	607	1,753	253	280	117	117	117	117	47,645
<b>Total operating expenses</b>	<b>95,604</b>	<b>716</b>	<b>23</b>	<b>814</b>	<b>155</b>	<b>301</b>	<b>314</b>	<b>322</b>	<b>117</b>	<b>607</b>	<b>1,753</b>	<b>253</b>	<b>280</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>102,415</b>
<b>Income (loss) from operations</b>	<b>(71,531)</b>	<b>(650)</b>	<b>(60)</b>	<b>(814)</b>	<b>(145)</b>	<b>(291)</b>	<b>(309)</b>	<b>(311)</b>	<b>(100)</b>	<b>(590)</b>	<b>(1,747)</b>	<b>(247)</b>	<b>(274)</b>	<b>(115)</b>	<b>(101)</b>	<b>(101)</b>	<b>(101)</b>	<b>(46,272)</b>
Interest expense	(85)																	(85)
Interest income	13																	13
Other income (expense), net	26,245	1,030	10	1,853	2,323	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437	26,245
<b>Income (loss) before income taxes</b>	<b>5,643</b>	<b>3,060</b>	<b>10</b>	<b>1,039</b>	<b>1,178</b>	<b>(854)</b>	<b>(872)</b>	<b>(874)</b>	<b>(663)</b>	<b>(153)</b>	<b>(310)</b>	<b>(240)</b>	<b>(237)</b>	<b>(72)</b>	<b>(85)</b>	<b>(85)</b>	<b>(85)</b>	<b>17,996</b>
Provision for income taxes	132																	132
<b>Net income (loss)</b>	<b>5,511</b>	<b>3,060</b>	<b>10</b>	<b>1,039</b>	<b>1,178</b>	<b>(854)</b>	<b>(872)</b>	<b>(874)</b>	<b>(663)</b>	<b>(153)</b>	<b>(310)</b>	<b>(240)</b>	<b>(237)</b>	<b>(72)</b>	<b>(85)</b>	<b>(85)</b>	<b>(85)</b>	<b>17,864</b>

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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		<i>Minimum Ratio Requirement</i>
Current Ratio as of March 31, 2013	<u>1.30</u>	>	1.05
<b>In accordance to Annex 9.1 (d) (vi)</b>			
Actual Capital Expenditures for the year ended March 31, 2013	\$ 57,727,000		
Fiscal 2013 Capital Expenditures per Business Plan	\$ 210,000,000		<i>Maximum Percentage Requirement</i>
	<u>27%</u>	<	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.



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Exhibit 8.1(d)(iv)

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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> : | \$ 618 MM |
| 2. | Excess Equity Proceeds Amount as of last day of period included within Financial Statements attached hereto as <u>Exhibit 8.1(d)(i)</u> :  | \$ 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

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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:

<u>Aggregate Principal Amount Originated</u>	<u>Permitted Receivables Financing Program</u>
\$ 38.9 MM	(b) (4)

- (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:

<u>Aggregate Principal Amount Sold</u>	<u>Total Consideration Received</u>	<u>Permitted Receivables Financing Program</u>
\$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:

<u>Customer Loan Limit</u>	<u>Customer Loan Balance</u>
\$15 MM	\$0 MM