

RESERVATION AGREEMENT

This Reservation Agreement between the person or entity identified below as you and Elio Motors, Inc., located at 2942 North 24th Street - Suite 114-700, Phoenix, AZ 85016, U.S.A., or its affiliate identified below as Elio Motors, Inc., is for your reservation of an Elio vehicle with us.

1. Reservation

By entering into this Reservation Agreement you hereby confirm that you wish to reserve an Elio vehicle (prototype can be viewed on our website).

2. Nature of Agreement; Non-Binding Reservation Payment

The Reservation Payment is NON-REFUNDABLE and provides you with the benefits in Section 4 below depending on the level of your payment. This Agreement does not constitute an agreement for the sale of a vehicle and does not lock in pricing, a production slot, or an estimated delivery date. You are under no obligation to purchase a vehicle from us, and we are under no obligation to supply you with a vehicle. If and when we notify you of the availability of the vehicle and you wish to proceed with the purchase, such sale and purchase will be governed by a separate and legally binding Purchase Agreement between you and us or between you and another authorized dealer (Elio). In the event a purchase is made, your Reservation Payment plus a bonus equal to 25% of the payment will be credited against the purchase price.

3. Effective Date; Reservation Process

This Agreement is formed and becomes effective when we receive both your validly executed Agreement and your Reservation Payment in the amount and form stated in the Payment Instructions provided to you in connection with this Agreement. You may execute this Agreement by either: (i) hand-delivering or sending a signed Agreement to us by facsimile, email or prepaid post; or (ii) by acknowledging and accepting this Agreement online. We will be deemed to have received your Agreement on actual receipt by Elio. You may make your Reservation Payment by any means described in the Payment instructions. Once this Agreement becomes effective, you will be placed on the reservations list and will receive communications about our program.

4. Reservation Payment Amount

Depending on the level of your Reservation Payment, you will be entitled to the following benefits:

A. A One Hundred Dollar (\$100.00) Reservation Payment entitles you to a priority delivery date based upon the date we receive your completed Agreement and payment. In addition, you will receive a limited edition Elio Motors T-shirt. In addition, if you purchase an Elio vehicle, a bonus of 25% of your payment will be credited against the purchase price.

B. A Two Hundred and Fifty Dollar Reservation Payment (\$250.00) entitles you to all the benefits in Section A above, plus you will be given a priority delivery date ahead of all of the participants in Section A above.

C. A Five Hundred dollar (\$500.00) Reservation Payment entitles you to all the benefits in Sections A and B above, plus you will be given a priority delivery date ahead of all of the participants in Sections A and B above.

D. A One Thousand Dollar (\$1,000.00) Reservation Payment entitles you to all the benefits in Section A, B, and C above, plus you will be given a priority delivery date ahead of all of the participants in Sections A, B, and C above.

5. Order Process

When the start of production of your reservation nears, we will ask you to confirm your option selections and provide full details regarding the legal purchaser of the vehicle. Elio will create an order for your vehicle containing the information provided by you, and a Purchase Agreement indicating the estimated purchase price of your vehicle, taking into account the base price of the model and any options included or that you select, plus estimates of any applicable taxes, duties, transport and delivery charges, and any other applicable fees. Elio will then submit to you the order and the Purchase Agreement for your review. If you wish to proceed and purchase the vehicle, you must sign and return the Purchase Agreement together with any amounts that are then required to be paid. Production of your vehicle will then be commenced and your additional deposit payable under the Purchase Agreement will be held by Elio as a non-refundable deposit (to the extent permitted by applicable law). These procedures may be subject to change.

6. Purchase Price

Base vehicle and/or option pricing may not be available at the time of your reservation and, if pricing is available, it is subject to change until agreed upon in an executed Purchase Agreement.

7. Deferral and Non-Transferability

If you do not wish to enter into a Purchase Agreement at the time you are contacted by Elio, you have the option to relinquish your reservation sequence position and defer to a later position to be determined by us (only one deferral is permitted). If you do not communicate your decision to us within ten (10) days of notification, you will automatically be granted such a deferral. This Agreement is not transferable or assignable to another party without the prior written approval of an Elio authorized representative.

8. Priority

We will establish your reservation sequence position based upon the date of receipt of a fully executed Reservation Agreement and your payment. We may decline reservations to avoid over-subscription or as we deem appropriate in our sole discretion. If your reservation is declined, you will be notified and your Reservation Payment will be refunded.

9. Your Details

From time to time we will ask you to provide information to enable us to perform our obligations under this Agreement. The personal information we collect from you will include the information provided in the signature page of this Agreement or online when you complete the reservation process. We will treat all your personal information as confidential (though we reserve the right to disclose this information in the circumstances set out below). We will keep it securely and we will fully comply with our obligations under applicable data protection and privacy laws. You hereby give us your consent to use your personal information and other information you provide so we can process your reservation and conduct administration, so that Elio can prepare the order and Purchase Agreement, and inform you of any marketing information. We may share this information with other group companies (but not with third parties) for these purposes. From time to time, we may contact you by mail, telephone, email, text and fax for the above purpose and you agree you will not consider any of the above as being a breach of any of your rights under any data privacy, data protection or privacy law. You can opt out of receiving marketing information from us at any time and you may contact us for more information. However, we will still use your information to process your reservation. You may ask for a copy of your information and you may correct any inaccuracies. We will be the responsible party for the management of your

personal information. If you wish to make a request with regard to your personal information, please visit our website at eliomotors.com.

10. Limitation of Liability

To the maximum extent permitted by applicable law, we make no warranty of any kind in connection with this Agreement or its subject matter. Under no circumstances will we be held liable for any indirect or consequential loss or damage, including any and all (a) loss of opportunity (including loss of contract or right to offer or tender); (b) lost opportunity cost; (c) loss of business; (d) reduction of damage of goodwill; (e) damage to name or reputation (f) loss or corruption of data, and regardless of whether any or all of these circumstances are considered to be indirect or consequential losses or damage, in contract, tort (including negligence), under any statute or law otherwise arising out of our breach of this Agreement, even if we have been advised of the possibility of occurrences which would or might lead to such loss or damages. If we are held liable for any damages related to your reservation or this Agreement, your sole and exclusive remedy will be limited to reimbursement of the Reservation Payment paid to us.

11. Acknowledgments

YOU UNDERSTAND THAT ELIO MOTORS, INC., MAY NOT HAVE COMPLETED THE DEVELOPMENT OF THE VEHICLE OR BEGUN MANUFACTURING THE VEHICLE AT THE TIME OF YOUR RESERVATION. WE WILL NOT HOLD YOUR RESERVATION PAYMENT SEPARATELY OR IN AN ESCROW OR TRUST FUND OR PAY ANY INTEREST ON RESERVATION PAYMENTS, EXCEPT TO THE EXTENT REQUIRED BY LAW.

12. Governing Law and Jurisdiction

This Agreement is governed by the laws of the State of Colorado, U.S.A., without regard to its conflict of laws provisions. Both parties consent to the exclusive jurisdiction and venue of the state and federal courts in Denver, Colorado, U.S.A.