Attn: Christophe J. Schneiter
Assistant Director/City Engineer
City of Santa Cruz, Public Works Department
809 Center Street
Santa Cruz, CA 95060

Uppsala, 04 December 2008

STATEMENTS OF QUALIFICATIONS (SOQ) FOR SANTA CRUZ, CALIFORNIA
PERSONAL RAPID TRANSIT (PRT) SYSTEM

Dear Mr. Schneiter,

VECTUS Ltd. hereby responds to your request for a statement of qualification (SOQ) from qualified PRT design and development companies.

We would be pleased to be part of your intentions to reach solutions for your problems of traffic, congestion, noise and exhaust. VECTUS views positively the use of clean renewable energy sources in the production of electricity. The solutions which you seek merge with VECTUS' vision for providing eco-friendly exhaust-free transportation. For example solar cells could easily be adapted as an energy source for use on the PRT track.

The company VECTUS Ltd., registered in London, UK is an innovative firm and has a strategy that is very suitable to your intentions to set up a reliable transportation system with the lowest possible energy consumption and in close cooperation with local companies.

For several years, VECTUS has been working in close contact with world-class research institutions at universities in Sweden and Korea to develop a clean, sustainable, efficient and safe transit system.

The VECTUS Personal Rapid Transit (PRT) solution is a track-bound driverless transportation system with an advanced control system, which makes it easy to build the system in steps and adding loop after loop in harmony with the growth of the City. The first loop in a PRT net can also be used as a demonstration loop.

A Safety Case has been performed according to IEC 61508 (requirement to be as safe as current railway/metro system). The Safety Case covers track, vehicle, control system ("ATC"), operation, maintenance etc.

Posco is the parent company of VECTUS. Posco is one of the most profitable steel companies in the world and is one of the companies on the Fortune 500 list.
http://www.posco.com/homepage/docs/eng/dn/invest/archive/POSCO_2007_AR.pdf

We have structured our response to the SOQ into a general short summary of the VECTUS PRT features in separate documents.

1) Transmittal Letter
2) Client References
3) Project Team
4) Organization Chart
5) Company Resumes
6) PRT System Requirements

We note that you have asked for cost estimates.
The cost of the system would depend on the design of the system itself, the length of the system, the number of stations, the number of vehicles, the materials chosen for the track, and many other variables that enter into a final solution. It is pre-mature to speculate upon that at this stage without a detailed simulation and analysis.

We sincerely hope that we have given adequate responses to your specific areas of interest.
We are available for any further meetings as required, and naturally welcome any visits to Uppsala, Sweden and our test site to experience the VECTUS PRT solution live. Please do not hesitate to contact us if there are any questions. We look forward to a continued discussion with you and the City of Santa Cruz.

Yours sincerely,
Jörgen Gustafsson

Managing Director
VECTUS Sweden