



MEMORANDUM

Date: October 17, 2016

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Vector Space Systems Additional Announcement**

In a newswire announcement today, Vector Space Systems reports it has finalized a \$60 million agreement with York Space Systems (Attachment 1). York Space Systems is a Denver, Colorado based aerospace company specializing in small and medium class spacecraft.

Attachment 2 is a newswire report announcing York Space Systems' partnership with CAID Industries, Inc., a Tucson-based metal fabrication, manufacturing, automation and precision machining company. CAID has over 300 employees worldwide and 250,000 square feet of manufacturing facilities on their 30 acre-site.

CHH/dr

Attachments

c: Dr. John Moffatt, Director, Economic Development

ATTACHMENT 1

Vector Space Systems Announces \$60M Agreement with York Space Systems

Partnership extends micro satellite launch capabilities and reduces cost to manufacture spacecraft, eliminating barriers for entrepreneurs

NEWS PROVIDED BY

Vector Space Systems → (<http://www.prnewswire.com/news/vector-space-systems>)

Oct 17, 2016, 10:00 ET

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TUCSON, Ariz., Oct. 17, 2016 /PRNewswire/ -- Vector Space Systems

(<http://vectorspacesystems.com/>), a micro satellite space launch company comprised of new-space industry veterans from SpaceX, Virgin Galactic, McDonnell Douglas and Sea Launch, today finalized an agreement with York Space Systems

(<http://www.yorkspacesystems.com/>), an aerospace company specializing in small and medium class spacecraft, to conduct six satellite launches from 2019 through 2022 with the option for 14 additional launches. The first launch through the agreement will also be the inaugural launch of the Vector-H vehicle, which is capable of launching 100 kg into orbit, and will provide an integrated spacecraft to customers through a standardized platform.

York Space Systems will use the launches with Vector Space Systems to place their standardized S-Class satellite platform into orbit for commercial and government customers. York Space Systems' satellites will also employ the unique Electric Upper Stage which uses Vector Space

Systems' propriety electric propulsion technology as the final insertion stage of the Vector-H to place the satellites into orbital altitudes up to 1000 km with zero loss of launch throw mass capability.

"Since our launch earlier this year, Vector has made it a priority to engage with partners who share our mission of making space more accessible to a new generation of innovators, and York Space Systems is a shining example of this type of partner," said Jim Cantrell, CEO and co-founder of Vector Space Systems. "By leveraging Vector's low cost launch vehicle family, York Space Systems will now be able to offer more frequent low cost space access opportunities for new missions and data gathering missions, furthering our mission to eliminate the barriers for startups and entrepreneurs."

York Space Systems currently focuses on small and medium spacecraft supporting a wide range of missions, including visible Earth Observation (EO), Infrared EO, Multispectral EO, Synthetic Aperture Radar EO, asset tracking, weather, communications, signals intelligence, and robotic servicing. The S-Class platform leverages a proprietary design to reduce the cost of manufacture by an order of magnitude, and will see first flight qualification Q3 2017. The platform design can utilize existing ride-share opportunities, and is simultaneously being designed for compatibility with dedicated small launch vehicles, such as the Vector-H. With an inventoried approach, York offers next day delivery supporting the rapid mission program timelines enabled by Vector.

"In this day and age, complementary capabilities and expertise for fielding space-based products and solutions for customers is hard to find," said Dirk Wallinger, CEO of York Space Systems. "Vector is rapidly pioneering low cost rapid launch capabilities, and together we can bring the reality of space exploration to a broader array of commercial and government customers through the engineered compatibility of the S-class satellite platform and the Vector-H. We want to provide the next great ideas, with a turn-key space solution. Our work with Vector will help us do just that." He continued, "Ultimately dedicated responsive launch is a game-changer, it allows us to completely rethink our architectural approaches to space, and opens the skies to the Space data frontier. We are excited to be a part of that, and happy to be partnered with Vector towards that goal."

About Vector Space Systems

Founded by the original SpaceX founding team, Vector Space Systems is a disruptive company that connects space startups and innovators with affordable and reliable launch enabling platforms and vehicles at a price never before possible for accessing space. For more information, visit www.vectorspacesystems.com (<http://www.vectorspacesystems.com/>).

About York Space Systems

York Space Systems is an innovative American aerospace company specializing in small and medium class spacecraft based in Denver, CO. The company is entering the production phase of their S-Class platform, which leverages a proprietary design to reduce the cost of manufacture by an order of magnitude. The S-Class platform is a 3-axis stabilized spacecraft capable of supporting 85kg payloads with up to 100W of Orbit Average Power (OAP), 1,400W peak (Standard), and 3,000W peak (Enhanced). With one week delivery times on inventory, known interfaces, and unmatched cost points, the S-Class is intended to meet evolving market needs with a Model-T approach.

For more information, visit <http://www.YorkSpaceSystems.com> (<http://www.yorkspacesystems.com/>)

York's Forward-Looking Statement

This press release contains statements that are or may be forward-looking statements, including statements that relate to the company's future prospects, developments and strategies. The forward-looking statements are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from current expectations, including, but not limited to, those risk and uncertainties described in the risk factors included in the company's regulatory filings. These forward-looking statements are based on assumptions regarding the present and future business strategies of the company and the environment in which it will operate in the future. Each forward-looking statement speaks only as at the date of this press release. Except as required by law, regulatory requirement, the Listing

Rules and the Disclosure and Transparency Rules, neither the company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/vector-space-systems-announces-60m-agreement-with-york-space-systems-300345619.html> (<http://www.prnewswire.com/news-releases/vector-space-systems-announces-60m-agreement-with-york-space-systems-300345619.html>)

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ATTACHMENT 2

A GAME CHANGER FOR SPACECRAFT, Manufacture Begins on York Space Systems First Spacecraft Structure



October 15, 2015

TUCSON, Ariz., Oct. 15, 2015 /PRNewswire-iReach/ -- York Space Systems, the innovative American aerospace company specializing in small and medium class spacecraft, has announced that manufacturing has begun on their first spacecraft structure.

"It's hard to believe that just a few months ago we began our mechanical design effort, and now the first pieces of metal are being cut and prepared for assembly," says Dirk Wallinger, CEO of York. "Our partners here at Caid Industries have been great to work with. Their insight and cost-effective manufacturing perspectives, coupled with our unique spacecraft design, have been critical in enabling us to break the mold on what is possible. This is just one more step on our journey towards revolutionizing space."

Fabrication began October 8 and all manufacturing, machining, and welding will be completed by October 30. Following fabrication completion, York will begin assembly of the First-Flight-Unit primary spacecraft structure. In conjunction with the Flight Unit, York is also having a structural test model generated for planned testing.

Rob Assenmacher, President of CAID Industries, commented: "We are thrilled to help York move forward into hardware production. We feel their team and design principles really represent a new way of doing things in Space, and we are happy to help them move that vision forward."

ABOUT YORK SPACE SYSTEMS

York Space Systems is an innovative American aerospace company specializing in small and medium class spacecraft based in Denver, CO. The company is currently developing their AESV (ã-sev): S-Class platform which leverages a proprietary design to reduce the cost of manufacture by an order of magnitude. The S-Class platform is a 3-axis stabilized spacecraft capable of supporting 90kg payloads with up to 100W of Orbit Average Power (OAP). Designed for mass manufacture and intended for constellations, the S-Class supports a wide range of missions including earth observation and communication; and is capable of steady state operation in any orbit inclination and orientation without redesign. The platform form factor can leverage existing share ride opportunities on ESPA, or can be adapted to any of the numerous dedicated small launch vehicles currently under development to significantly reduce launch segment costs. For more information, visit <http://www.YorkSpaceSystems.com>

\ABOUT CAID INDUSTRIES

CAID Industries, Inc, is an ESOP Company established in 1947 (www.caid.com). CAID is a solutions provider offering services in metal fabrication, manufacturing, automation, engineering, design, precision machining and mining technologies for companies throughout the world. Headquartered in Tucson Arizona with offices and partnerships in Mexico, Chile and Logan Utah. CAID has over 300 employees worldwide with over 250,000 ft2 of under roof manufacturing facilities on 30 acres.

Media Contact: Kate Baily, York Space Systems, 480-518-4921,
PR@YorkSpaceSystems.com

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