

ECONOMIC DEVELOPMENT AGREEMENT

1. Date. The effective date of this Economic Development Agreement (“*Agreement*”) is September 10, 2018 (“*Effective Date*”).

2. Parties. The parties to this Agreement are:

(a) **CITY OF COOLIDGE**

Attn: City Manager
130 W. CENTRAL AVENUE
COOLIDGE, AZ 85128
Telephone: (520) 723-6006
hereinafter referred to as the “*City*”

(b) **NIKOLA CORPORATION**

Attn: Britton Worthen
1130 S. 3800 West #200
Salt Lake City, Utah 84104
Hereinafter referred to as the “*Nikola*”

3. Background. The following is the background to this Agreement.

(a) Nikola will own, pursuant to the terms and conditions of a separate written agreement between Nikola and the landowner, certain real property located in the City of Coolidge consisting of approximately four hundred twenty-one (421) acres (the “*Land*”). Nikola agrees to provide the legal description of the Land to the City within ten (10) days of the date of Nikola’s acquisition of the Land and the City shall thereafter record this Agreement.

(b) Nikola intends to develop the Land as an electric vehicle manufacturing/assembly facility with total space of approximately 1 million square feet at build-out and a total investment in the facility of approximately Eight Hundred Million Eight Hundred Thousand Dollars (\$800,800,000) (construction and production equipment) (the “*New Facility*”).

(c) Subject to the terms and conditions of this Agreement, the acquisition of ownership of the Land by Nikola, and the performance of third parties as generally described in Section 3(d) below, the City desires that Nikola cause the New Facility to be constructed and developed on the Land to enhance the City’s commercial development potential in the area of the Land and in the City. The New Facility on the Land will: (i) create new and substantial opportunities for employment in the City, (ii) provide visibility for the City due to the New Facility’s location in the City, (iii) provide a significant investment in the City, (iv) enhance tax collections in the City, (v) attract and promote new development on vacant properties adjacent to and surrounding the Land, and other benefits. The value of constructing and operating the New Facility on the Land has been analyzed through an economic and fiscal impact analysis performed by Elliott D. Pollack & Company and set forth in a report dated July 18, 2018. The

City has determined, based upon analysis by its economic development staff that the New Facility would not locate on the Land in the absence of this Agreement.

(d) The development of the New Facility by Nikola is the result of the significant efforts and discussions between several groups and entities desiring to see Nikola establish its headquarters and operations in Arizona, and in particular in Coolidge, Arizona, for the purpose of providing economic benefit to the State of Arizona and to the City. These groups include the Arizona Commerce Authority, the City, Pinal County, and the landowner. A copy of the Arizona Commerce Authority's letter dated August 20, 2018 that expresses support of the New Facility project and that provides certain business incentives to Nikola to develop the New Facility in Arizona is attached as **Exhibit A** and incorporated herein by reference. Saint Holdings, LLC provided a letter dated July 16, 2018 to Thomas Stringer, a representative of Nikola, proposing to, among other things, provide (i) up to 421 gross acres of real property for the development of the New Facility, and (ii) utilities and infrastructure necessary to enable the property to be in "shovel-ready" condition for the development of the New Facility, all subject to mutually agreeable future documentation between Saint Holdings, LLC and Nikola. The foregoing described letter is attached as **Exhibit B** and incorporated herein by reference. In order for the property to be in "shovel-ready" condition for the development of the New Facility, the property must have necessary infrastructure improvements including water, wastewater, and street improvements. A copy of the preliminary cost estimate summary for the infrastructure improvements for the New Facility proposed to be constructed by Saint Holdings, LLC and/or others for the benefit of Nikola, and provided to Nikola/Thomas Stringer, is attached as **Exhibit C** and incorporated herein by reference. Once constructed and installed by Saint Holdings, LLC and/or others, at no cost to Nikola or the City, the improvements are to be conveyed to the City for the City's use thus providing a direct benefit to the City.

(e) On August 27, 2018, Mayor and City Council of the City of Coolidge (the "***City Council***") adopted that certain document entitled "Notice of Intent to Enter into a Development Incentive Agreement and Findings of Fact" (the "***Notice of Intent***"), attached hereto as **Exhibit D** and incorporated herein by reference. Included within the Notice of Intent were findings showing (i) that the New Facility is anticipated to raise more revenue than the amount of the incentives set forth below within the duration of this Agreement, (ii) the New Facility will create significant public benefits in the form of employment, taxes, and public infrastructure, and (iii) that, in the absence of the tax incentives proposed in this Agreement, the New Facility would not locate within the corporate boundaries of the City of Coolidge at the same time or place (collectively, the "***Findings***"). Clause (i) above, as included in the Findings, was independently verified on July 18, 2018, by an outside consultant, Elliott D. Pollack & Company (the "***Verification***"), which is attached as an exhibit to the Notice of Intent set forth in **Exhibit D**. By executing this Agreement, Nikola hereby agrees and affirms that it (i) did not finance, or cause to be financed, the Verification, (ii) did not have input into the selection of Elliott D. Pollack & Company for the purposes of such Verification, and (iii) would not have located the New Facility in the City in the same manner in the absence of the tax incentives set forth in this Agreement.

(f) The City Council accepted the Findings on August 27, 2018 by a unanimous affirmative vote accepting the Notice of Intent.

(g) The City Council is empowered, pursuant to Ariz. Rev. Stat. §9-500.11, to appropriate public funds to further employment opportunities and economic enhancement of the City. Accordingly, the City Council has determined that it is in the best interests of the citizens of the City to rebate a portion of the taxes generated and collected from (i) construction contracting associated with the construction of the New Facility, (ii) all new vehicle sales directly made at the New Facility (if any), and (iii) all new vehicle sales made within the corporate limits of the city at an authorized sales facility (if any).

4. Agreement. For good and valuable consideration, including the benefits to City and Nikola as described above, City and Nikola agree as is more specifically set forth in this Agreement. The recitals set forth in the background, Section 3 of this Agreement, are acknowledged by the parties and incorporated herein by this reference.

5. Laws and Regulations.

(a) The City of Coolidge Code, including but not limited to the City of Coolidge Zoning Code and Subdivision Regulations (the "**City Code**"), as amended from time to time, shall govern the development of the Land. The City must be able to regulate the planning and development of the Land and the construction and installation of public infrastructure improvements on the Land in order to serve the best interests of the City. Consequently, City reserves, exercising its sole and absolute discretion, the right to amend existing or to adopt new laws, rules, regulations and standards of development for the City, including resolutions, official policies and procedures and the City Code (collectively, as amended or adopted from time to time, the "**Laws and Regulations**"), and the Laws and Regulations shall apply to the Land.

(b) Any change to the Laws and Regulations as allowed in this Section 5 shall not discriminate against Nikola and the Land, and any change shall be uniformly applied to all similar land and landowners at such time such land is within the boundaries of City.

6. Nikola's Obligations. Nikola agrees and understands that all benefits, inducements, and monetary payments to Nikola by the City, pursuant to the terms and conditions of this Agreement, are specifically conditioned upon Nikola (i) acquiring ownership of the Land, (ii) constructing and completing the New Facility, (iii) creating new and substantial opportunities for employment in the City and (iv) causing development of the New Facility on the Land in accordance with the terms and conditions of this Agreement. Nikola covenants and agrees as follows:

(a) Nikola shall own, occupy and conduct its hydrogen or otherwise electric vehicle manufacturing/assembly operations on the Land for a minimum of ten (10) years from the date of issuance of the final certificate of occupancy for the New Facility. If Nikola does not own, occupy and conduct its New Facility operations on the Land for ten (10) years from the date of issuance of the final certificate of occupancy for the New Facility, the City's obligations under this Agreement shall terminate and Nikola shall pay to the City an amount that is equal to the amount paid by the City to Nikola up to the time

of the ceasing of Nikola's New Facility operations (the "*Nikola Penalty*"). The Nikola Penalty includes any tax rebates and/or impact fee credits received from the City and the City's reimbursement to Nikola of City building permit fees, plan review fees and expedited review fees for the New Facility. Payment of the Nikola Penalty shall be determined by the City at the time Nikola ceases its New Facility operations and the Nikola Penalty shall be paid by Nikola to the City no later than ten (10) days following the date of the City's written notice of the amount paid by the City to Nikola. Nikola's obligation to pay the Nikola Penalty to the City shall survive the termination or expiration of this Agreement; and

(b) Nikola shall commence construction of the New Facility on the Land no later than three (3) years from the Effective Date of this Agreement and Nikola shall complete construction of the New Facility on the Land in order to commence its operations no later than four (4) years from the Effective Date of this Agreement. In the event of documented and valid business reasons resulting in delays and the inability for Nikola to meet these dates, the City Manager shall have the authority to administratively extend these deadlines for up to one additional year; extensions beyond one year shall require an amendment to this Agreement and the approval of the City Council. In the event that Nikola does not commence construction of the New Facility on the Land by three (3) years from the Effective Date of this Agreement, this Agreement shall automatically terminate with no notice, agreement or recording required by and between the parties; and

(c) Nikola shall employ at least 1762 full time employees in the New Facility by January 2025; and

(d) Nikola shall comply with all terms and conditions of this Agreement.

7. City's Obligations. Subject to the terms and conditions of this Agreement, including Nikola's performance and satisfaction of the requirements in Section 6(a) through (d) above, the City will:

(a) Support, and use all available economic development resources to assist with the application for, Nikola's/New Facility's designation as a foreign trade zone under FTZ #75; and

(b) Pay to Nikola periodic payments, as set forth in this Section 7(b), from New Facility Generated Sales Tax (defined below) as an incentive to Nikola to develop the New Facility in the City. Each periodic payment paid by the City shall be paid from New Facility Generated Sales Taxes actually received by the City from the Arizona Department of Revenue ("*ADOR*") and shall be in the amount equal to forty-nine percent (49%) of the New Facility Generated Sales Taxes. The New Facility Generated Sales Taxes payments shall be paid quarterly by the City as follows: On or before April 30 for the first quarter of the calendar year (January-March); on or before July 30 for the second quarter of the calendar year (April- June); on or before October 30 for the third quarter of the calendar year (July-

September); and on or before January 30 of the following calendar year for the fourth quarter of the previous calendar year (October-December). The quarterly New Facility Generated Sales Taxes payments shall continue to be paid to Nikola on the dates set forth in this Section 7(b) until the date that is ten (10) years from the date of issuance of final certificate of occupancy. Nothing contained in this Agreement shall be construed in such a manner as to cause the City to violate any privacy or confidentiality laws applicable to the contracting taxes, New Facility Generated Sales Taxes, and taxpayers.

Nikola shall provide to the City the name and or names under which the businesses operating within the Land, or as the New Facility, are reporting to ADOR. Nikola and its successors and assigns shall, within ten (10) days of a name change, notify the City in writing of such name change(s) under which the businesses operating within the Land or as the New Facility are reporting to ADOR. In addition, Nikola shall provide to the City the name or names under which businesses that have located and are operating within the corporate limits of the City as a result of inducement by Nikola and are reporting to ADOR.

Definition of New Facility Generated Sales Taxes. “*New Facility Generated Sales Taxes*” shall mean all unrestricted transaction privilege taxes validly imposed or levied by the City, and not earmarked for a contrary or inconsistent purpose, generated from the retail sales transactions of (i) construction contracting associated with the construction of the New Facility, (ii) all new vehicle sales directly made at the New Facility (if any), and (iii) all new vehicle sales made within the corporate limits of the City at an authorized sales facility (if any). New Facility Generated Sales Taxes shall not include transaction privilege tax revenues collected and paid over to the City by ADOR from (a) transaction privilege tax revenue designated and allocated as Economic Development Funds which is funded by 6.25% of the revenues received from the first 2% of the retail sales transactions of the businesses within the Land, (b) transaction privilege tax revenue that is designated, allocated, or restricted as to its use, such as the proceeds from an increase on the transaction privilege tax on hospitality industry businesses to be used exclusively for the promotion of tourism, or (c) any other similar tax restricted as to its use.

Sample Payment Calculation. A sample of the calculation of the quarterly New Facility Generated Sales Taxes payment is attached hereto as Exhibit E. The parties acknowledge and agree that the figures used in the sample calculation on Exhibit E are only estimates and are only for illustration and information purposes.

New Facility Generated Sales Taxes Subordinate to Any Pledge. Payment of New Facility Generated Sales Taxes by the City is subject to and in all respects subordinate to any pledge, now in existence or hereafter made.

(c) Nikola may desire to provide the City with additional public benefit(s) in the future, such as a public park or electric vehicles. In such event, and conditioned upon Nikola first obtaining ownership of the Land in fee title, the proposed public benefit shall be required to be a direct benefit to the City and the determination of whether the proposed benefit is a direct public benefit shall be at the City's sole discretion. The City is willing to reimburse

Nikola for such direct public benefit and the terms and conditions of the City's reimbursement to Nikola for such direct public benefit received by the City, including the method to determine the value of the direct public benefit, shall be pursuant to a separate written document, mutually agreed to by Nikola and the City. The duration of the reimbursement period shall end on that date that is the earlier of: (i) the date that the City has reimbursed Nikola for the agreed upon value of the direct public benefit provided to the City by Nikola, or (ii) the date that is ten (10) years from the date of issuance of the final certificate of occupancy for the New Facility. The reimbursement to Nikola by the City may be made by annual payments that are indexed to forty-nine percent (49%) of the City portion of the real property taxes for the Land received by the City from Nikola.

(d) Perform expedited reviews of zoning applications, permits and plans submitted to the City for development of the New Facility and perform expedited inspections of construction of the New Facility.

8. Permit and Plan Review Fees; Reimbursement.

(a) Development Impact Fees. Development of real property within the City of Coolidge is subject to impact fees as adopted by City Council, subject to credits as allowed by law. No credit will be given for dedication of rights-of-way, easements, or other land normally required for public infrastructure.

(b) Reimbursement of Fees. City agrees to reimburse Nikola for building permit fees, plan review fees and expedited review fees ("**Permit and Review Fees**") associated with construction of the New Facility provided that Nikola has timely performed its obligations of Section 6(a) through 6(c) of this Agreement. Reimbursement of Permit and Review Fees pursuant to this Section 8(b) shall not exceed Eight Hundred Fifty Thousand and No/Dollars (\$850,000.00) (the "**Permit and Review Fees Reimbursement Amount**"). The City will pay Nikola the Permit and Review Fees Reimbursement Amount following the City's issuance of the final certificate of occupancy for the New Facility. At the time of issuance of the certificate of occupancy for the New Facility, Nikola agrees to provide the City with a written, detailed and complete list of all Permit and Review Fees paid by Nikola for development of the New Facility along with the amounts paid. The City agrees to pay Nikola the verified Permit and Review Fees Reimbursement Amount no later than ten (10) business days from the date of the City's verification.

9. City Sales Tax Rates. Nikola understands and agrees that the City cannot guarantee that the City's transaction privilege tax rates in effect as of the Effective Date of this Agreement, or the abatement of the sales tax on sales of electricity in manufacturing operations, will remain in effect in the future as the City's transaction privilege tax rates are subject to City Council consideration and action.

10. Rights and Remedies. The parties shall be entitled to all rights and remedies available at law and equity for breach of the provisions of this Agreement.

11. Conflicts of Interest. The parties acknowledge that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended.

12. Covenants running with the Land. The provisions of this Agreement shall be for the benefit of, and shall be a burden upon, the Land, and the provisions of this Agreement shall be covenants running with the Land, without the necessity of an assignment of this Agreement with the conveyance of any part of the Land.

13. Term of the Agreement. Subject to the provisions of Section 6(b) of this Agreement, this Agreement shall automatically terminate as to the Land without the necessity of any notice, agreement or recording by and between the parties on that date which is ten (10) years from the Effective Date of this Agreement.

14. No Agency or Partnership. Neither City or Nikola are acting as the agent of the other with respect to this Agreement, and this Agreement shall not be deemed to create a partnership, joint venture or other business relationship between City and Nikola.

15. No Third Party Beneficiary. This Agreement shall not create any third party beneficiary rights to any person or entity who is not a party to this Agreement, including any lender to Nikola, unless expressly provided to the contrary in this Agreement and then only to the extent so provided.)

16. Recording. In accordance with the provisions of Section 3(a) of this Agreement, Nikola agrees to provide the legal description of the Land to the City within ten (10) days of the date of Nikola's acquisition of the Land and the City shall thereafter promptly record this Agreement.

17. Time is of the Essence. Time is of the essence of this Agreement.

18. Benefit and Binding Effect; Assignment. The provisions of this Agreement are binding upon and shall inure to the benefit of the parties; provided, however, that Nikola's rights and obligations hereunder may be assigned and assumed with the prior written consent of the City which such consent shall not be unreasonably withheld. The express assignment and assumption of Nikola's rights and obligations shall be made by written instrument recorded in the Official Records of Pinal County, Arizona, and shall be signed by assignor and assignee with the City's written consent. Nikola's rights and obligations hereunder shall terminate effective upon the assumption by Nikola's assignee of such rights and obligations. In accordance with Section 7(b) of this Agreement, assignee shall provide to the City within ten (10) days of the assignment, as consented to by the City, the name or names under which assignee is reporting to ADOR.

19. Wavier of Claims. Nikola, on behalf of itself and all other parties having an interest in the Land, intends to encumber the Land with the following agreements and waivers. Nikola agrees and consents to all the conditions imposed by this Agreement, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Land the owner of the Land may have now or in the future under the provisions of A.R.S. Sections 12-1134 through and including 12-1136 resulting from this Agreement or from any "land use law" (as such term is defined in the aforementioned statute sections) expressly permitted or contemplated by this Agreement to be enacted, adopted or applied by the City now or hereafter. Nikola

acknowledges and agrees the terms and conditions set forth in this Agreement cause an increase in the fair market value of the Land and such increase exceeds any possible reduction in the fair market value of the Land caused by any future land use laws, rules, ordinances, resolutions or actions expressly permitted or contemplated by this Agreement and adopted or applied by the City to the Land.

20. Amendment. Any amendment to this Agreement shall be in writing and signed by both parties.

21. Notices. All notices, requests, waivers, approvals, acceptances, or other communications under this Agreement shall be in writing and shall be deemed given when personally delivered or transmitted by facsimile or two (2) days after mailing certified mail, return receipt requested and postage prepaid, to the addresses set forth below:

(a) City: City of Coolidge
Attn: City Manager
130 W. Central Avenue
Coolidge, AZ 85128

With Copy to: Fitzgibbons Law Offices, P.L.C.
Attn: Denis M. Fitzgibbons
1115 E. Cottonwood Lane, Suite 150
Casa Grande, AZ 85122
Email: denis@fitzgibbonslaw.com

(b) Nikola: Britton Worthen
1130 South 3800 West #200
Salt Lake City, Utah 84104
Email: britton.worthen@nikolamotor.com

With Copy to: _____

No notice to a party shall be effective unless and until a copy of such notice is given to, or as appropriate, received by, all persons indicated above as entitled to receive required copies of notices to that party. The above described recipients of notices may change their address for notice purposes by giving the other parties notice of such change, provided, however, that no such change in notice shall be effective for a period of ten (10) days following such notice of such change. The inability to deliver because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by any party hereto may be given by legal counsel for such party.

22. Force Majeure. The performance of either party and the duration of this Agreement shall

be extended by any causes that are beyond the control of the party required to perform, such as an act of God, civil or military disturbance and labor or material shortage.

23. Governing Law/Venue. This Agreement shall be governed by and construed under the laws of the State of Arizona, and any litigation shall take place only in Pinal County, Arizona.

24. Attorney Fees. The prevailing party in any litigation in connection with this Agreement shall be entitled to its attorneys' fees and costs.

25. No Waiver of Right or Remedy. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or Nikola of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

26. Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining provisions permit the parties to achieve the practical and proportional benefits and obligations of the arrangements contemplated by this Agreement. Otherwise, either party may terminate this Agreement.

27. Obligations Not a Debt. The City's obligations pursuant to the provisions of this Agreement that require the expenditure of funds do not constitute the general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The obligations herein do not (i) obligate the City to levy or pledge any form of taxation, (ii) obligate the City to make any expenditure from proceeds of ad valorem taxes, or (iii) constitute a pledge of the revenues, funds or monies of the City. The provisions of this Agreement for payment of funds by the City shall be subject to the "budget law" of the State of Arizona and appropriation in each fiscal year's budget.

28. Exhibits; Merger. This Agreement, together with Exhibit A through Exhibit E listed below and attached hereto and incorporated herein by this reference, constitute the entire agreement between the parties with respect to the development of the Land. All prior contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

<u>Exhibit A</u>	Arizona Commerce Authority August 20, 2018 letter
<u>Exhibit B</u>	Saint Holdings, LLC July 16, 2018 letter
<u>Exhibit C</u>	Preliminary cost estimate summary for the infrastructure improvements for the New Facility proposed to be constructed by Saint Holdings, LLC and/or others for the benefit of Nikola
<u>Exhibit D</u>	Notice of Intent
<u>Exhibit E</u>	Sample Calculation for Quarterly New Facility Generated Sales Taxes Payment

29. E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401, Nikola warrants compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Nikola's failure to comply with such warranty shall be deemed a material breach of the Agreement, as amended, and may result in the termination of the Agreement, as amended, by the City.

30. Arbitration. The parties hereby agree to make a good faith effort to resolve any controversy or claim through informal negotiations. Any claim of controversy must first be presented in writing, with supporting documentation, to the agent of the other party. The recipient shall have seven (7) days to prepare and deliver a response. Thereafter, in the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree to attempt to settle the dispute by nonbinding arbitration before commencement of litigation. The arbitration shall be held under the rules of the American Arbitration Association. The matter in dispute shall be submitted to an arbitrator mutually selected by Nikola and the City. In the event that the parties cannot agree upon the selection of an arbitrator within seven (7) days, then within three (3) days thereafter, the City and Nikola shall request the presiding judge of the Superior Court in and for the County of Pinal, State of Arizona, to appoint an independent arbitrator. The cost of any such arbitration shall be divided equally between the City and Nikola. The results of the arbitration shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the final decision of the arbitrator.

31. Signature. The parties have executed this Agreement as of the Effective Date.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

CITY:

CITY OF COOLIDGE, ARIZONA, an Arizona
municipal corporation

Jon Thompson, Mayor

ATTEST:

Norma Ortiz, City Clerk

APPROVED AS TO FORM:

Denis M. Fitzgibbons, City Attorney

STATE OF ARIZONA)
)ss
County of Pinal)

The foregoing instrument was acknowledged before me this ___ day of _____, 2018, by Jon Thompson, the Mayor of the CITY OF COOLIDGE, an Arizona municipal corporation.

Notary Public

My Commission Expires:

NIKOLA:

NIKOLA CORPORATION,
a Delaware corporation

By: _____

Its: _____

STATE OF ARIZONA)
)ss
County of Pinal)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, the _____ of Nikola Corporation, a Delaware corporation.

Notary Public

My Commission Expires:

**EXHIBIT A
TO
ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF COOLIDGE
AND
NIKOLA CORPORATION**

Arizona Commerce Authority Letter Dated August 20, 2018

**EXHIBIT B
TO
ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF COOLIDGE
AND
NIKOLA CORPORATION**

Saint Holdings, LLC Letter Dated July 16, 2018

**EXHIBIT C
TO
ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF COOLIDGE
AND
NIKOLA CORPORATION**

Preliminary Cost Estimate Summary for Infrastructure Improvements
For New Facility prepared by Saint Holdings, LLC

**EXHIBIT D
TO
ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF COOLIDGE
AND
NIKOLA CORPORATION**

Notice of Intent

**EXHIBIT E
TO
ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF COOLIDGE
AND
NIKOLA CORPORATION**

Sample Calculation for Quarterly New Facility Generated Sales Taxes Payment

Definitions:

New Facility Generated Sales Taxes (“NFGST”) – as defined in Section 7(b) of the Agreement.

New Facility Generated Sales Taxes Collected (“NFGSTC”) – actual sales received from the levy by the City of the STR on S, less transaction privilege tax revenue designated and allocated as Economic Development Funds which is funded by 6.25% of the revenues from the first 2% of the retail sales transactions of the businesses within the Land, (b) transaction privilege tax revenue that is designated, allocated, or restricted as to its use, such as the proceeds from an increase on the transaction privilege tax on hospitality industry businesses to be used exclusively for the promotion of tourism, or (c) any other similar tax restricted as to its use.

Rebate Percentage (“RP”) – Percentage of NFGSTC to be paid as pursuant to the terms and conditions of this Agreement.

Sales (“S”) – Gross retail sales on Land less sales upon which no sales taxes were received by City.

Sales Tax Rate (“STR”) – City tax rate levied on retail sales.

Sample Calculation of quarterly New Facility Generated Sales Tax Payment:

$$S \times STR - (.0625 \times (.02 \times S)) = \text{NFGSTC}$$

$$\text{RP} \times \text{NFGSTC} = \text{Quarterly New Facility Generated Sales Tax Payment}$$

Assumption: S = \$1000

STR = 3%

$$\text{NFGSTC} = \$1000 \times 3\% = \$30 - (.0625 \times (.02 \times \$1000 = \$20)) = \$1.25 = \$28.75$$

The Quarterly New Facility Generated Sales Tax Payment, using above assumption, is:

$$\text{RP} \times \text{NFGSTC} = 49\% \times \$28.75 = \$14.0875$$