

**CONTRACT BETWEEN THE OKLAHOMA DEPARTMENT OF COMMERCE
AND
CANOO INC. FOR AN AWARD FROM THE OKLAHOMA QUICK ACTION
CLOSING FUND**

COMES NOW the Oklahoma Department of Commerce (hereinafter ODOC), an Agency of the State of Oklahoma, on behalf of the Governor of the State of Oklahoma, and CANOO INC. (hereinafter CANOO), a recipient of an award by the Governor of the State of Oklahoma from the Oklahoma Quick Action Closing Fund (hereinafter Fund), established at 62 O.S. § 48.2 (hereinafter "Statute"), in the amount of \$5,000,000 as evidenced by a letter from Governor Stitt authorizing the same.

The funds subject to this contract are being expended by the Governor for purposes of economic development and related infrastructure development. Both the Governor and ODOC find that the expenditure of these funds would likely be a determining factor in either locating this high-impact business project or facility in Oklahoma or in retaining such project or facility within the State.

ODOC further finds that CANOO, the establishment making application, qualifies to receive these funds pursuant to the Statute. ODOC has conducted a complete analysis of the potential impact of the applicant's business activity using the factors outlined in the Statute, as well as the associated administrative rules. The Director of ODOC further finds that, this expenditure from the Fund is expected to result in a net economic benefit to the State using the criteria required by Statute and administrative rules.

THE PARTIES AGREE AS FOLLOWS:

1. PROJECT DESCRIPTION

The funding from the Fund is being used to support the location of a tech hub (the "Tech Hub"), a customer service and financial center (the "CS&FC"), and a software development center (the "Software Development Center", and together with the Tech Hub and CS&FC, the "Oklahoma Facilities") within the State of Oklahoma. Money awarded pursuant to this contract shall be used to pay for the construction of the Oklahoma Facilities.

The projected public benefit for the above project over the next 10 years consists of the following:

New jobs	700
Average salary of the new jobs	between \$85,000 and \$125,000
Capital investment	\$78 Million

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2. CONDITIONS FOR PAYMENT OF FUND PROCEEDS

The following provisions must be completed before payment is made from ODOC to CANOO:

1. One Million dollars (\$1,000,000) shall be paid to CANOO from the Fund when CANOO has reached employment of at least twenty-five (25) people with an average annual salary of at least \$85,000 at the Software Development Center.
 - a. This condition must be met with a request for payment received by ODOC on or before July 1, 2023 to qualify for payment.
2. Two Million Dollars (\$2,000,000) shall be paid to CANOO from the Fund when CANOO has reached employment of at least twenty-five (25) people with an average annual salary of at least \$125,000 at the Tech Hub.
 - a. This condition must be met on with a request for payment received by ODOC on or before January 1, 2024 to qualify for payment
3. Two Million Dollars (\$2,000,000) shall be paid to CANOO from the Fund when CANOO has reached employment of at least thirty-five (35) people with an average annual salary of at least \$98,000 at the CS&FC.
 - a. This condition must be met with a request for payment received by ODOC on or before July 1, 2024 to qualify for payment

As required by 62 O.S. §48.2(J), money from the Fund used to build the Oklahoma Facilities shall be deemed to be held in trust for the benefit of the State and shall be considered as a priority claim for purposes of federal bankruptcy law. Furthermore, if the Oklahoma Facilities are sold prior to having met the conditions set forth in section five (5) of this contract, CANOO shall repay the State the money actually paid to CANOO with interest at a rate of 2% and share with the State a proportionate amount of any profit realized from the sale. For purposes of this paragraph, the term "sale" shall be limited to the sale of the Oklahoma Facilities and shall expressly not include any merger, reorganization, sale of all or substantially all of CANOO'S assets, or any other similar transaction involving CANOO.

3. TIMELINE FOR PAYMENT OF FUND PROCEEDS

The funding will be provided to CANOO, upon request, at the intervals specified in section two (2) of this contract. To receive payment pursuant to this contract, CANOO agrees to register as a vendor with the State of Oklahoma and shall send an invoice to ODOC for the funds. All payment procedures shall follow those as authorized or otherwise required by Oklahoma law.

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To request payment from the ODOC, CANOO shall e-mail an invoice along with all other documents necessary to establish that conditions for payment have been met to accounts_payable@okcommerce.gov.

4. VALIDATION OF PERFORMANCE

The performance of CANOO under the terms and conditions of this contract shall be validated and verified by ODOC based upon written reports from CANOO and, if necessary, on-site reviews conducted by ODOC staff provided that such on-site reviews (i) shall take place at the Oklahoma Facility, (ii) shall not be disruptive to CANOO's business, (iii) shall take place at a mutually agreed time during CANOO's business hours and (iv) shall take place within forty-five (45) days of the request from ODOC, unless otherwise agreed by ODOC and CANOO. The reports shall be provided from CANOO to General Counsel or the Executive Director of the Oklahoma Department of Commerce upon request of ODOC. Satisfactory completion of the performance of CANOO pursuant to this contract shall be solely determined by ODOC. The decisions of ODOC as to satisfactory completion of the contract terms shall be final and binding.

ODOC shall not make any final determination that CANOO has failed to satisfactorily complete any contract term until ODOC has given CANOO written notice and thirty (30) days within which to cure; however, if any term cannot reasonably be cured within the initial thirty (30) days, CANOO shall have a total of one hundred eighty (180) days in which to cure such term, so long as CANOO has commenced and is diligently proceeding to cure such term within the initial thirty (30) day period.

5. OBLIGATION FOR REPAYMENT OF FUND AWARD

Subject to the notice and cure provisions set forth in section four of this contract, in the event CANOO does not meet each of the following conditions:

1. Maintain at least forty (40) jobs at the Software Development Center with an average annual salary of at least \$85,000 for at least ten calendar quarters.
 - a. This provision must be completed by July 1, 2027.
2. Maintain at least fifty-seven (57) jobs at the Tech Hub with an average annual salary of at least \$125,000 for at least ten calendar quarters.
 - a. This provision must be completed by July 1, 2027.
3. Maintain at least eighty-two (82) jobs at the CS&FC with an average annual salary of at least \$98,000 for at least ten calendar quarters.
 - a. This provision must be completed by July 1, 2027.

Money actually paid from the Fund to CANOO shall be repaid to ODOC within thirty (30) days of failure to meet any one of the above stated conditions. No credit shall be given for partial performance of the conditions within this contract. Notwithstanding any other provision of this contract, the maximum aggregate liability or repayment amount due by CANOO under this contract shall not exceed the amount of money actually paid from the Fund to CANOO. The parties each expressly waive any right or claim to any punitive, indirect, incidental or consequential damages, whether arising at law, in equity or otherwise.

6. OPEN RECORDS

Both parties acknowledge that all State agencies are subject to the Oklahoma Open Records Act, and that this contract is subject to public disclosure in accordance with the provisions of the Act. This disclosure is mandated regardless of the existence of any non-disclosure agreements that may have been previously executed by the parties and both parties agree that the Department may disclose this document without further consultation with CANOO.

7. PROHIBITION ON POLITICAL ACTIVITY WITH PROCEEDS OF FUND

CANOO agrees that no monies paid from the Fund shall be used by a recipient or any other person or entity for purposes of any political contribution to or on behalf of any candidate or for the support of or opposition to any measure including but not limited to an initiative petition or referendum. In the event any monies paid from the Fund are used for any political activity, the entire award from the Fund is immediately due and payable to ODOC.

8. APPLICABLE LAW

This Contract shall be governed by and will be construed in accordance with the laws of the State of Oklahoma in the United States of America. Proper venue for any dispute relating to this Contract shall be in the District Court of Oklahoma County or in the District Court for the Western District of the State of Oklahoma.

9. GENERAL TERMS

If any provision of this contract is deemed or held by a court of competent jurisdiction to be contrary to law or otherwise unenforceable, it shall be enforced to the extent legally permissible and as necessary to reflect the intent of the parties and shall not affect the remaining provisions of

this contract, which shall remain in force and in effect. This contract may only be amended by a writing executed by duly authorized representatives of both parties. This contract represents the entire agreement and understanding between the parties with respect to the subject matter herein and supersedes all prior agreements and understandings and writings of any kind, written or oral, express or implied, with respect to the subject matter hereof. Rights and obligations incurred pursuant to this agreement cannot be transferred to other entities without the written consent of both parties. Both parties agree not to unreasonably withhold, condition or delay such written consent.

Written correspondence as relevant to this contract, other than submission of payment invoices, can be sent via US Mail, postage prepaid, to the following parties:

Commerce: Oklahoma Department of Commerce
Attn: General Counsel
900 N. Stiles Ave
Oklahoma City, OK 73104

Canoo: Hector Ruiz
General Counsel
Canoo Inc.
15520 Highway 114, Suite 2C
Justin, TX 76247

IN WITNESS WHEREOF, the signatories represent that they are authorized to bind the parties to this agreement and that they have executed this agreement effective as of the date of the signatures below.

Oklahoma Department of Commerce

Canoo, Inc.



2/28/2022

Brent Kislring
Executive Director
Oklahoma Department of Commerce

Date



2/25/22

Tony Aquila
Executive Chairman and CEO
Canoo, Inc.

Date