

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Nikola Corp., et al.,¹

Debtors.

Chapter 11

Case No.: 25-10258 (TMH)

(Jointly Administered)

**MARICOPA COUNTY TREASURER’S LIMITED OBJECTION AND
RESERVATION OF RIGHTS RE: MOTION FOR ENTRY OF ORDERS (I)(A)
APPROVING BIDDING PROCEDURES FOR THE SALE OF SUBSTANTIALLY
ALL OF THE DEBTORS’ ASSETS, (B) AUTHORIZING THE DEBTORS TO
DESIGNATE ONE OR MORE STALKING HORSE BIDDERS AND TO
PROVIDE BID PROTECTIONS, (C) SCHEDULING AN AUCTION AND
APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (D)
APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, (E)
SCHEDULING A SALE HEARING AND APPROVING THE FORM AND
MANNER OF NOTICE THEREOF AND (F) GRANTING RELATED RELIEF;
AND (II)(A) APPROVING THE SALE OF THE DEBTORS’ ASSETS FREE AND
CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, (B)
APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING
RELATED RELIEF**

This Limited Objection is filed by the Maricopa County Treasurer (“MCT”) in response to the *Motion For Entry Of Orders (I)(A) Approving Bidding Procedures For The Sale Of Substantially All Of The Debtors’ Assets, (B) Authorizing The Debtors To*

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Nikola Corporation (registered to do business in California as Nikola Truck Manufacturing Corporation) (1153); Nikola Properties, LLC (3648); Nikola Subsidiary Corporation (1876); Nikola Motor Company LLC (0193); Nikola Energy Company LLC (0706); Nikola Powersports LLC (6771); Free Form Factory Inc. (2510); Nikola H2 2081 W Placentia Lane LLC (N/A); 4141 E Broadway Road LLC (N/A); and Nikola Desert Logistics LLC (N/A). The Debtors’ headquarters are located at 4141 East Broadway Road, Phoenix, AZ 85040.

Designate One Or More Stalking Horse Bidders And To Provide Bid Protections, (C) Scheduling An Auction And Approving The Form And Manner Of Notice Thereof, (D) Approving Assumption And Assignment Procedures, (E) Scheduling A Sale Hearing And Approving The Form And Manner Of Notice Thereof And (F) Granting Related Relief; And (Ii)(A) Approving The Sale Of The Debtors' Assets Free And Clear Of Liens, Claims, Interests, And Encumbrances, (B) Approving The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, And (C) Granting Related Relief [Dkt. No. 15] (the "Sale Motion") filed jointly by the above-captioned Chapter 11 bankruptcy debtors, Nikola Corp., et al. (collectively, the "Debtors"), on November 6, 2023 in the above-captioned bankruptcy case (the "Bankruptcy Case").

Pursuant to the Sale Motion, the Debtors seek an order of this Court authorizing the sale and transfer of substantially all assets (collectively, the "Purchased Assets") owned by the Debtors on the terms set forth in the Sale Motion free and clear of the liens of MCT. As set forth below, the Debtors seek to sell the Purchased Assets free and clear of the MCT Tax Liens in violation of 11 U.S.C. § 363(f) and applicable Arizona law. In further support of this Limited Objection, MCT submits as follows:

FACTUAL AND PROCEDURAL BACKGROUND

1. MCT is authorized and required under applicable Arizona law to levy and collect taxes on taxable personal and real property within Maricopa County, Arizona.
2. MCT holds secured pre-petition tax claims which are secured by statutory tax liens on the real and tangible personal property of the taxpayer Debtors Nikola Corporation and Nikola Motor Company LLC in and around Maricopa County, Arizona (the "Tax Liens"). The Tax Liens attach to the taxpayer's property on January 1 of each tax year. A true and correct list of the outstanding and unpaid personal property taxes owed by Nikola Corporation and Nikola Motor Company LLC to MCT and corresponding tax liens is attached to this Limited Objection as **Exhibit A**. As detailed in

Exhibit A, MCT holds a secured tax lien for unpaid personal property taxes owed for the second half of 2024 in the amount of \$101,919.53 and a secured tax lien for unpaid real property taxes in the amount of \$250,702.78.

3. The Tax Liens held by MCT are superior to any other secured claims, pursuant to applicable Arizona law. *See* A.R.S. §§ 42-17153 and 42-19106.

LIMITED OBJECTION TO THE SALE

4. The Debtors are seeking authority to sell the Purchased Assets free and clear of the MCT's Tax Liens. Bankruptcy Code § 363(f) provides that a debtor may sell property free and clear of any interest in such property of an entity other than the estate, *only if*:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

See 11 U.S.C. § 363(f).

5. While the Sale Motion does not list precisely what real and/or personal property of the Debtors will be sold, given that the Debtors seek to sell "substantially all assets" at auction, presumably the real and personal property subject to the MCT Tax Liens are (or will be) included in the assets to be sold.

6. Here, with respect to any property subject to the MCT Tax Liens, none of the requirements for a sale free and clear of MCT's Tax Liens have been satisfied under Bankruptcy Code § 363(f) because: (1) applicable Arizona law, including A.R.S. §§ 42-17153 and 42-19106, does not permit a sale of such property free and clear of MCT's

Tax Liens; (2) MCT has not consented and does not hereby consent to the Sale; (3) there has been no showing that the proposed Sale price does (or will) exceed the aggregate liens on such property;² (4) MCT's Tax Liens are not the subject of a bona fide dispute; and (5) MCT could not be compelled to accept a money satisfaction of such interest.

7. Prior to filing this Limited Objection, MCT reached out to the Debtors through their counsel to discuss the contents of this Limited Objection and payment of the MCT Tax Liens.

8. In those discussions, counsel for the Debtors confirmed on Thursday, April 3rd that the Debtors were mailing a check for the outstanding personal property taxes in the amount of \$101,919.53 (the "Personal Property Tax Payment") that same week. To date, MCT has not yet received the Personal Property Tax Payment. Assuming the Personal Property Tax Payment is received this week and prior to the hearing on the Sale Motion, this Limited Objection will be moot as to any proposed sale of the Debtors' personal property subject to the MCT Tax Lien.³

9. Despite follow-up requests by counsel for MCT for an update regarding the results of the Sale auction, which MCT understands was conducted on April 7, 2025, MCT has not yet received any update so it remains unknown what property subject to the MCT Tax Lien is to be sold and on what specific terms.

10. MCT respectfully submits that to the extent the Personal Property Taxes and real property taxes remain unpaid, the Sale can and must be denied unless or until the Debtors provide adequate protection to MCT in the form of an order that provides that

² The Debtors were unable to secure a stalking horse bidder with respect to the Sale Motion. MCT understands that an auction took place on April 7, 2025, however, the results of that Auction (including without limitation, the prevailing bid and what estate real or personal property are included in that bid) have not yet been disclosed by the Debtors in this Bankruptcy Case.

³ The Debtors propose in the Sale Motion to sell property subject to "Permitted Liens" (as that term is defined in the Sale Motion), which unquestionably includes any and all 2025 real and personal property taxes owed to MCT.

MCT's secured tax claims will be paid in full at closing, or alternatively that sufficient funds will be set aside in a segregated account for the sole purpose of paying MCT's secured tax claims in full (with MCT's Tax Liens to attach to such sale proceeds⁴ in a segregated account in the amount of the MCT Secured Tax Claim and in the same priority, with the same validity, force, and effect as applies under applicable state law) or, alternatively, that any sale of assets upon which MCT holds a MCT Tax Lien will be *subject to* MCT's Tax Liens and that the Purchaser shall assume the responsibility of paying all such taxes in full.

CONCLUSION

WHEREFORE, MCT respectfully requests that the Court deny approval of the Sale as set forth herein and MCT further requests that the Court grant it such other and further relief as is just and proper.

RESERVATION OF RIGHTS

MCT hereby reserves its right to supplement and amend this Limited Objection as additional information regarding the Sale Motion and proposed sale are disclosed or otherwise discovered.

Dated: April 8, 2025

⁴ The Sale Motion and proposed order granting the Sale Motion alleges that “[t]he transfer of the Purchased Assets to the Purchaser free and clear of any Liens, Claims, and Interests will not result in any undue burden or prejudice to any holders of any Liens, because all such Liens of any kind or nature whatsoever shall attach to the net proceeds (*if any*) of the sale of the Purchased Assets received by the Debtors in the order of their priority, with the same validity, force, and effect which they now have as against the Purchased Assets and subject to any claims and defenses the Debtors or other parties may possess with respect thereto.” [Emphasis added]. This proposed treatment of the MCT Tax Liens, including the comingling of sale proceeds and indication that insufficient sale proceeds will be achieved to satisfy liens, does not satisfy Bankruptcy Code § 363(f) nor does it adequately protect the interests of MCT.

MAY POTENZA BARAN & GILLESPIE

By: /s/ Grant Cartwright

Grant Cartwright

Eric W. Moats

May Potenza Baran & Gillespie

Central Arts Plaza

1850 N. Central Ave., 16th Floor

Phoenix, AZ 85004

Counsel for Maricopa County Treasurer

EXHIBIT A

Tax History 123-01-001D

Current Mailing Name & Address

NIKOLA CORPORATION
4141 E BROADWAY RD
PHOENIX, AZ 85040

Property (Situs) Address ?

4141 E BROADWAY RD
PHOENIX, AZ 85040

2024 Tax Due

Assessed Tax: \$501,405.56 Tax Paid: \$250,702.78 Total Due: \$250,702.78

[View 2024 Tax Details](#)

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Tax Years

Tax Year	Status	Assessed Tax	Amount Due
2024	Unpaid	\$501,405.56	\$250,702.78
2023	Paid	\$512,739.96	\$0.00
2022	Paid	\$508,184.82	\$0.00
2021	Paid	\$527,681.16	\$0.00
2020	Paid	\$432,316.80	\$0.00
2019	Paid	\$186,188.12	\$0.00
2018	Paid	\$181,507.48	\$0.00
2017	Paid	\$15,868.44	\$0.00

NOTE: Parcel split indicated. Check for taxes owed under earlier parcel numbers.

Total Amount Due

Total Amount Due: **\$250,702.78**

Total amount due does not reflect any pending payments. Amount may change based on activity to this parcel.

2024 Tax Details 123-01-001D

Current Mailing Name & Address

NIKOLA CORPORATION
4141 E BROADWAY RD
PHOENIX, AZ 85040

Property (Situs) Address ?

4141 E BROADWAY RD
PHOENIX, AZ 85040

Area Code 031300 Assessed Tax \$501,405.56
Exemption Status Half Tax \$250,702.78

Amounts Paid

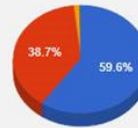
Tax Paid \$250,702.78
Interest Paid \$0.00
Fees Paid \$0.00

TOTAL PAID \$250,702.78

Tax Percentages

Primary Tax 59.58%
Secondary Tax 38.69%
Flood Tax 1.29%
Special District Tax 0.44%

● Primary Tax
● Secondary Tax
● Flood Tax
● Special District Tax



Special Tax Districts

District	Name	Percentage	Tax	Tax Paid
30001	EAST VALLEY INSTITUTE OF TECH	100.00%	\$2,196.70	\$1,098.33

2024 Tax Details 994-88-488

Current Mailing Name & Address

NIKOLA MOTOR COMPANY
4141 E BROADWAY RD
PHOENIX, AZ 85040-8803

Property (Situs) Address ?

4141 E BROADWAY RD
PHOENIX, AZ 85040

Area Code	031300	Assessed Tax	\$203,839.06
Exemption Status		Half Tax	\$101,919.53

Amounts Paid

Tax Paid	\$101,919.53
Interest Paid	\$0.00
Fees Paid	\$0.00

TOTAL PAID	\$101,919.53
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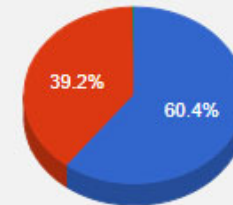
Special Tax Districts

District	Name	Percentage	Tax	Tax Paid
30001	EAST VALLEY INSTITUTE OF TECH	100.00%	\$904.68	\$452.32

Tax Percentages

Primary Tax	60.36%
Secondary Tax	39.20%
Flood Tax	0.00%
Special District Tax	0.44%

- Primary Tax
- Secondary Tax
- Special District Tax



Tax Summary 994-88-488**Current Mailing Name & Address**

NIKOLA MOTOR COMPANY
4141 E BROADWAY RD
PHOENIX, AZ 85040-8803

Property (Situe) Address ?

4141 E BROADWAY RD
PHOENIX, AZ 85040

2024 Tax Due

Assessed Tax:	\$203,839.06	Tax Paid:	\$101,919.53	Total Due:	\$101,919.53
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[View Additional Tax Years](#)

Total Amount Due

Total Amount Due: \$101,919.53

Total amount due does not reflect any pending payments. Amount may change based on activity to this parcel.

NOTE: Your property may be subject to additional tax liens listed under previous parcel numbers.

Tax History 994-88-488**Current Mailing Name & Address**

NIKOLA MOTOR COMPANY
4141 E BROADWAY RD
PHOENIX, AZ 85040-8803

Property (Situs) Address ?

4141 E BROADWAY RD
PHOENIX, AZ 85040

2024 Tax Due

Assessed Tax: \$203,839.06 Tax Paid: \$101,919.53 Total Due: **\$101,919.53**

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Tax Years

Tax Year	Status	Assessed Tax	Amount Due
2024	Unpaid	\$203,839.06	\$101,919.53
2023	Paid	\$200,387.26	\$0.00
2022	Paid	\$151,669.80	\$0.00
2021	Paid	\$110,668.36	\$0.00
2020	Paid	\$80,687.62	\$0.00

NOTE: Parcel split indicated. Check for taxes owed under earlier parcel numbers.

Total Amount Due

Total Amount Due: **\$101,919.53**

Total amount due does not reflect any pending payments. Amount may change based on activity to this parcel.

BUSINESS PERSONAL PROPERTY DETAIL



NIKOLA MOTOR COMPANY

 TAXES

 PRINT

Account Number 9488488

Situs Address 4141 E BROADWAY RD, PHOENIX AZ, 85040

Mailing Address 4141 E BROADWAY RD, PHOENIX AZ, 850408803

Tax Year	Tax Area	Legal Class	FCV	FCV Assessed	LPV	LPV Assessed
2024	031300	1.10	\$10,965,929	\$1,809,378	\$10,965,929	\$1,809,378
2023	031300	1.10	\$10,040,274	\$1,706,846	\$10,040,274	\$1,706,846
2022	031300	1.10	\$7,304,734	\$1,314,852	\$7,304,734	\$1,314,852
2021	031300	1.10	\$5,088,600	\$880,690	\$5,088,600	\$880,690