

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)
October 6, 2010**

Tesla Motors, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34756
(Commission
File Number)

91-2197729
(IRS Employer
Identification No.)

**3500 Deer Creek Road
Palo Alto, California 94304**
(Address of principal executive offices, including zip code)

(650) 681-5000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On October 6, 2010, Tesla Motors, Inc. (“Tesla”) entered into a Phase 1 Contract Services Agreement (the “Agreement”) with Toyota Motor Corporation (“TMC”) for the development of a validated powertrain system, including a battery, power electronics module, motor, gearbox and associated software, which will be integrated into an electric vehicle version of the RAV4. Pursuant to the Agreement, based on preliminary specifications, TMC will pay Tesla approximately \$60 million for the development services to be provided by Tesla. The parties will mutually agree to the final specifications, deliverables and payment amounts and schedule within 60 days of the execution of the Agreement. This amount will be paid in various installments during the term of the Agreement.

Tesla and TMC previously entered into an agreement to initiate the development of an electric powertrain system for the RAV4 in July 2010 and TMC purchased \$50.0 million of Tesla’s common stock in a private placement transaction that closed immediately subsequent to the closing of Tesla’s initial public offering in July 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TESLA MOTORS, INC.

By: _____ /s/ Deepak Ahuja
Deepak Ahuja
Chief Financial Officer

Date: October 13, 2010